

Final Report

# **City of Durango/La Plata County Housing Needs Assessment**

A Study of Workforce Housing Needs

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**Report**

April 10, 2003

**City of Durango/La Plata County  
Housing Needs Assessment**

**A Study of Workforce Housing Needs**

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## SECTION I.

### Introduction

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# SECTION I.

## Introduction

BBC Research & Consulting (BBC) was retained by the City of Durango and La Plata County to conduct a housing study and market analysis to evaluate residents' current and future housing needs.

The needs assessment included owner occupied housing and rental housing, as well as housing serving people with special needs. The geographic market area for the study was La Plata County, and to the extent possible, data were provided separately for the City of Durango, the Town of Ignacio and the Town of Bayfield. Exhibit I-1 on the following page illustrates the market area for this study.

The specific objective of the needs analysis was to provide the city and county with an up-to-date assessment of the area's housing market, economy and affordable housing needs, and to provide the city and county with a housing demand tool which they could regularly update in-house. The City of Durango/La Plata County Housing Needs Assessment will help the city and county decide when, whether and why each local government should participate in supporting and/or funding affordable housing projects.

### Approach

To conduct this study, BBC utilized several different research and analytical tools. Qualitative evidence was collected from interviews with over two dozen individuals who were knowledgeable about the housing market in La Plata County. Interviews were conducted with city and county staff, elected officials, housing providers and others. A list of interviewees is provided in Appendix A.

Another aspect of the research involved the collection and analysis of extensive secondary data. The BBC team collected data from the U.S. Bureau of the Census, the Durango Area Association of Realtors, city and county staff, local housing providers and developers, and other sources.

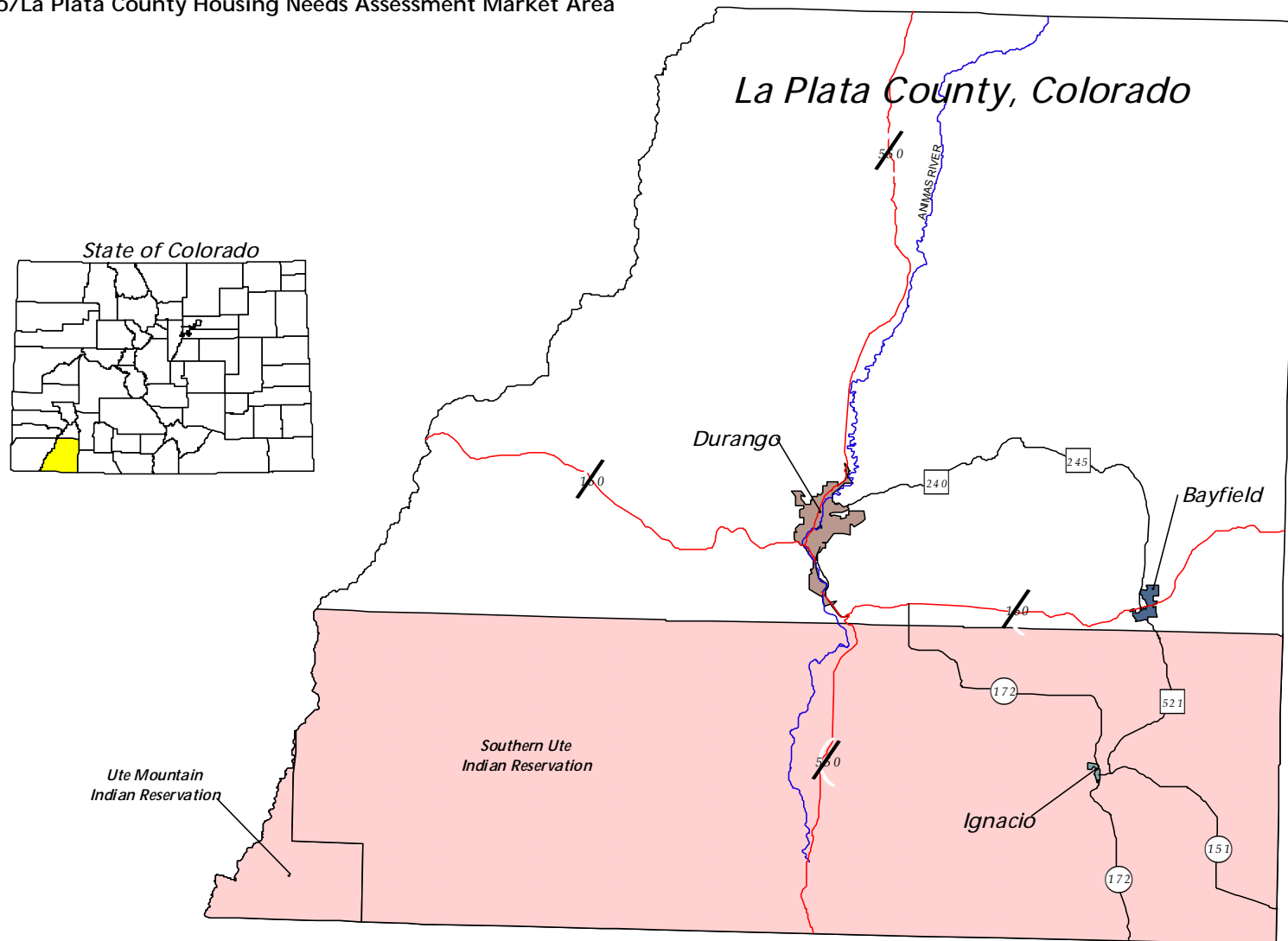
Primary data were collected through a mail survey with La Plata County residents. Over 5,400 surveys were mailed and 754 were returned and analyzed. The mail survey allowed us to collect information about housing preferences and satisfaction as well as demographic and other information that could be compared to that available through the Census. A copy of the survey instrument is included as Appendix B.

Once the task of data compilation was complete, the study team created benchmarks that describe and assess the housing situation in La Plata County. These benchmarks can be updated on an annual basis using local government staff with assistance from a summer intern. Appendix C provides technical guidance as to how to update the benchmark tool each year.

### Report Format

The next section of this report presents an overview of the demographic and economic characteristics of La Plata County, including Durango, Bayfield and Ignacio specifically.

Exhibit I-1.  
City of Durango/La Plata County Housing Needs Assessment Market Area



Section III describes the housing supply in the county, by analyzing the quantity and type of housing available in La Plata County, age of the housing stock, occupancy and vacancy rates, moving and migration, ownership status, size of housing units and new development. A discussion of the condition of the housing stock based on the resident mail survey and qualitative feedback from interviewees is also provided.

In Section IV, we describe in detail La Plata County households seeking shelter and their housing preferences. The demand discussion is divided into two parts, one covering owners and one covering renters. Included are the characteristics of each population including number of households, income, household type, household size, employment, commuting patterns and plans to move as well as the preferences of each population with respect to type of home, location of home, size of home and housing costs.

Section V, Housing Affordability, builds upon previous analyses by presenting data on what owners and renters are currently paying for their homes. Qualitative evidence strongly suggests that housing affordability is a major concern. Data that substantiate that concern by combining information about housing prices and incomes are detailed in this section.

Finally, Section VI contains the study team's analysis of housing needs in La Plata County and Durango. This section describes the key indicators for assessing housing needs in the county and in Durango and presents a tool for tracking key information over time. The report concludes by offering a series of policy considerations.

## SECTION II.

### Demographic and Economic Overview

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## SECTION II.

### Demographic and Economic Overview

Located in the southwestern part of Colorado, La Plata County is home to the City of Durango and the Towns of Bayfield and Ignacio. The area was pioneered by the Denver and Rio Grande Railroad, and the Durango and Silverton Narrow Gauge Railroad remains a popular tourist attraction today. The Animas River, which runs through the center of the county, Durango Mountain Resort, and Fort Lewis College in Durango are all area amenities.

Population growth in the county has steadily increased over the past three decades as economic development efforts have brought new jobs into the local community and the area has attracted retirees. The county's population now exceeds 44,000. As is often the case, the increase in population has focused attention on the supply and demand for area housing, particularly housing that is affordable to the full spectrum of county residents. The City of Durango (the county seat) and the Towns of Ignacio and Bayfield comprise just over a third of the population in La Plata County. About 43 percent of the land in the county is owned privately, 41 percent is state and federal land and 16 percent is tribal land. The Southern Ute Indian Reservation encompasses a large portion of the county.

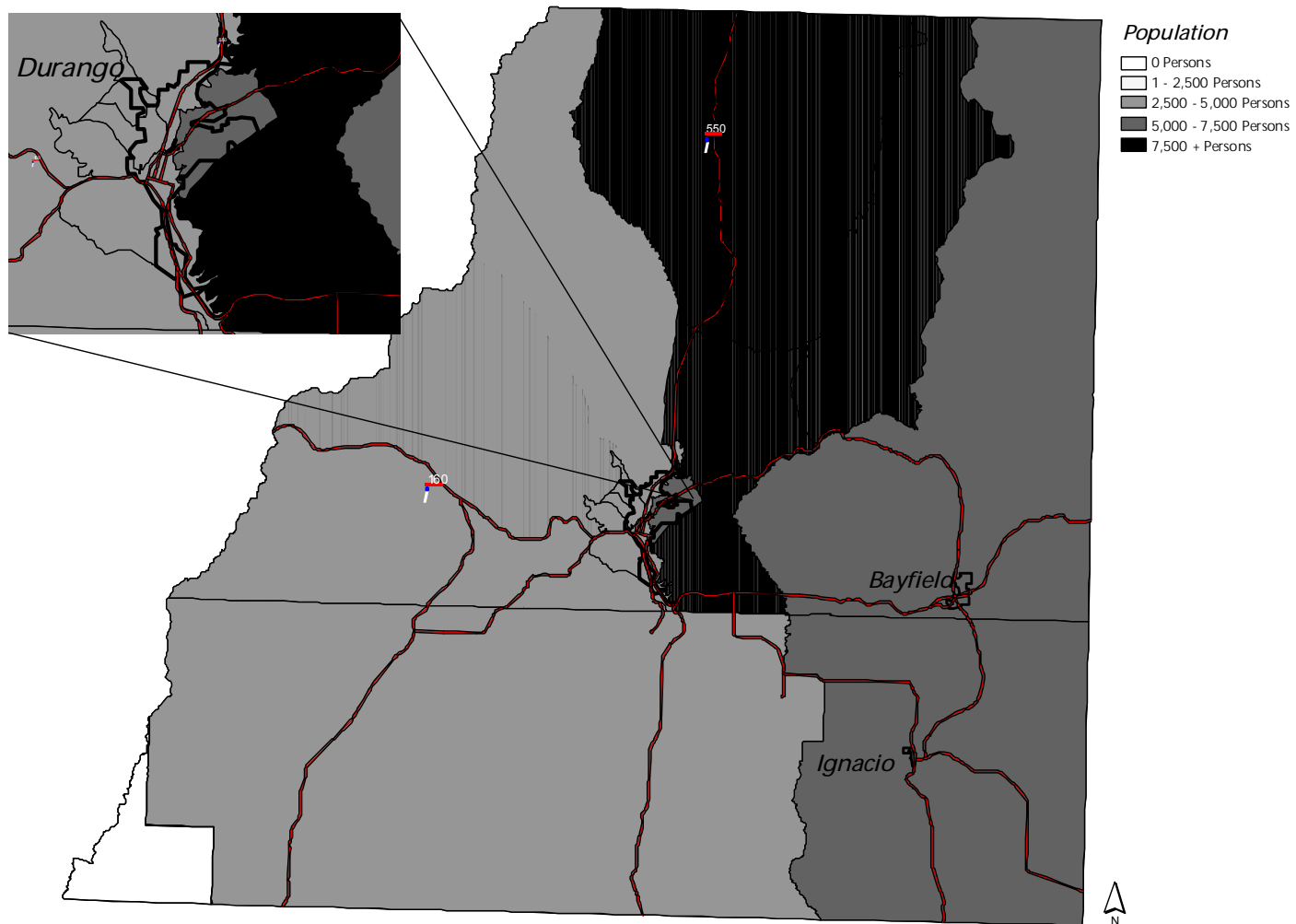
The following pages provide a demographic and economic overview of the La Plata County area including specific information on Durango, Bayfield and Ignacio. Some data are available only at the county level. Throughout this section we present the most current data available. In some cases, we also present both 1990 and more current data to illustrate changing trends.

Principle data sources include the U.S. Census Bureau's 2000 Census and a mail survey of county residents conducted by BBC for the purposes of this study. When compared to the resident characteristics of La Plata County presented by the 2000 Census, respondents to the mail survey tended to be slightly older, have relatively higher incomes and were more likely to own their homes. Because the respondents to the mail survey are not necessarily representative of the county as a whole, we have utilized this data source in a strategic manner.

#### Population

The study team examined the population of La Plata County by looking at age, education, race and ethnicity, disability status and length of residence in the county. The "typical" La Plata County resident does not live in a city or town, is between the ages of 25 and 44, does not have a college degree, is White and speaks English as their primary language. Of course, there are many variations on the "typical" resident. One in three county residents has a college degree. Ten percent of residents throughout the county identify themselves as Latino or Hispanic; this proportion rises to almost 50 percent in Ignacio. Exhibit II-1 on the following page illustrates the population distribution, by census tract, throughout the county.

Exhibit II-1.  
Population Distribution, La Plata County



Source: U.S. Census Bureau, 2000.

**Population growth.** The last several decades have seen significant population expansion in La Plata County. In the 1980s, almost half of the county population resided in the City of Durango, while more than half resided in unincorporated areas of the county. By 2000, less than one third of the county's population resided in Durango. Exhibit II-2 illustrates this change.

**Exhibit II-2.**  
**Population in La Plata**  
**County**

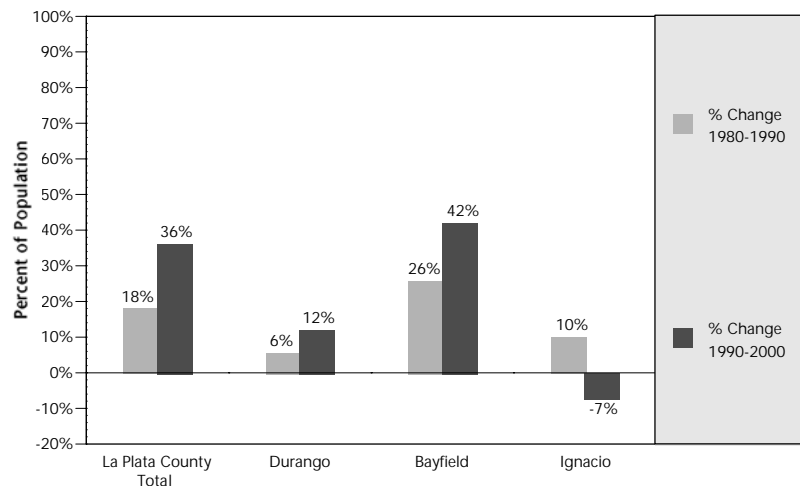
Source:  
U.S. Census Bureau, 2000.

	<i>1980 Census</i>	<i>1990 Census</i>	<i>2000 Census</i>
Durango	11,780	12,430	14,021
Bayfield	867	1,090	1,565
Ignacio	655	720	669
Balance of La Plata County	14,055	18,044	27,686
La Plata County - Total	27,357	32,284	43,941

County growth continued through the 1990s with the population totaling nearly 44,000 in 2000, a 36 percent increase since 1990. Durango and Bayfield's population also increased significantly during the 1990s, with population count at 14,021 residents (a 13 percent increase in Durango) and 1,565 residents (a 44 percent increase in Bayfield). However, Ignacio experienced a decline of 7 percent in population from 1990 to 2000. Exhibit II-3 summarizes population growth in the study areas.

**Exhibit II-3.**  
**County Population**  
**Growth by City**

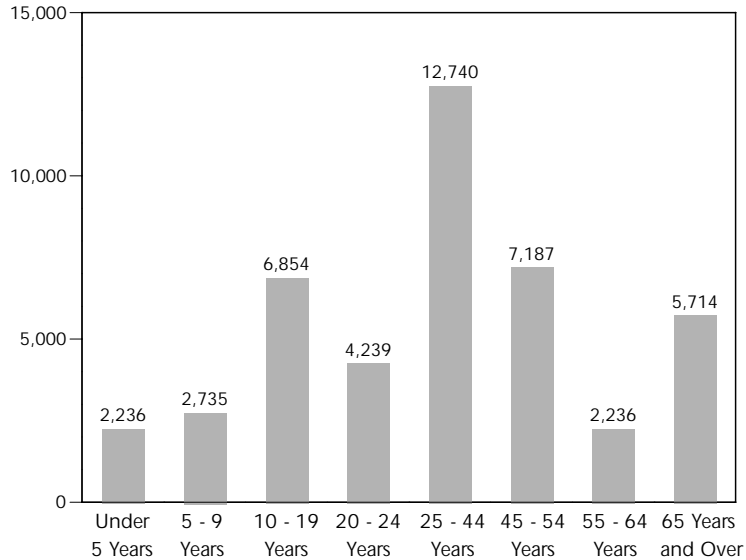
Source:  
U.S. Census Bureau, 2000.



**Age distribution.** Examining population trends by age group aids in projecting future housing and community development needs. The number of people in each age group as of 2000 is summarized in Exhibit II-4 on the following page. There were more people aged 25 to 44 in La Plata County than any other age group.

**Exhibit II-4.  
La Plata County  
Population by Age, 2000**

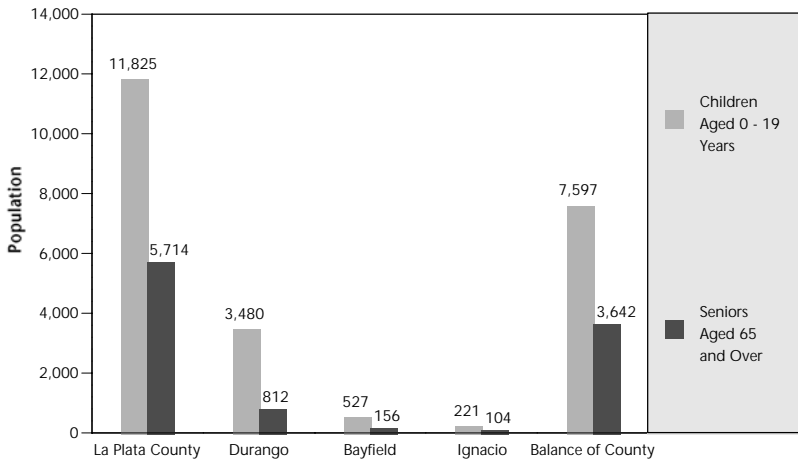
Source:  
U.S. Census Bureau, 2000.



La Plata County is home to 5,714 adults aged 65 years and over. Of these seniors, 55 percent were women and 45 percent were men. Approximately one-third of all seniors in La Plata County live in Durango, while only 4 percent live in Bayfield. There were a total of 11,825 children aged 0 to 19 years living in the county in 2000. As would be expected given the general pattern of residency within the county, most children live in the balance of La Plata County. Exhibit II-5 illustrates the number of seniors and children by area.

**Exhibit II-5.  
Seniors and Children**

Source:  
U.S. Census Bureau.



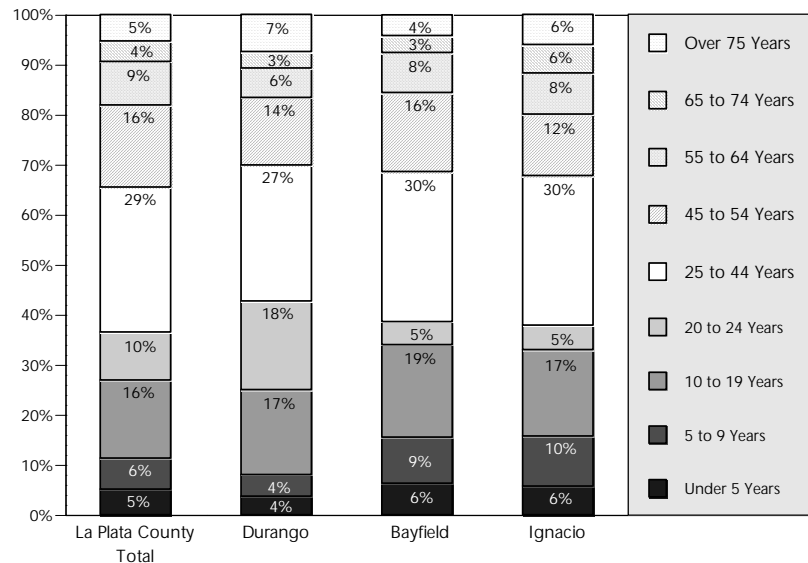
The median age in La Plata County rose from 31 years in 1990 to 35.6 years in 2000, a trend similar to that experienced statewide. Durango has the lowest median age in the county (29.2 years in 2000), due to the fact that nearly 17 percent of its residents are between the ages of 20 to 24. The low median age and high concentration of young adults in the 20 to 24 age cohort is likely due to student enrollment at Fort Lewis College in Durango. The majority of residents in each municipality are between the ages of 25 to 44 years. In 2000, 11 percent of Durango residents were over the age of 65, which slightly exceeded the State of Colorado and La Plata County averages (both 9 percent).

Bayfield, located 20 miles east of Durango, is increasingly comprised of working families. The town claims a high percentage of residents aged 25 to 44 years (30 percent), and also a relatively large percentage of residents under the age of 10 (16 percent). Located within the boundaries of the Southern Ute Indian Reservation, Ignacio's age distribution is similar to Bayfield's.

Exhibit II-6 shows the age distribution in 2000 for La Plata County, the City of Durango and the Towns of Bayfield and Ignacio.

**Exhibit II-6.**  
**Age Distribution of**  
**Population in Study**  
**Areas, 2000**

Source:  
BBC Research & Consulting from U.S.  
Census Bureau.



**Educational attainment.** In 2000, 91 percent of La Plata County residents aged 25 years and over had attained a high school diploma or G.E.D. Approximately one-fourth had attained a bachelor's degree and 12 percent had a graduate or professional degree, meaning 36 percent of county residents have at least a bachelor's degree. Ignacio had the lowest representation of individuals with a high school education. Fifteen percent of Durango residents had a graduate or professional degree, the highest proportion among the four geographic areas. See Exhibit II-7 on the following page for details.

**Exhibit II-7.**  
**Educational Attainment**

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
Less than 9th grade	3%	4%	1%	8%
9th to 12th grade, no diploma	6%	6%	7%	14%
High school graduates (includes equivalency)	23%	18%	31%	31%
Some college, no degree	26%	24%	31%	22%
Associate degree	6%	5%	3%	6%
Bachelor's degree	24%	28%	21%	12%
Graduate or professional degree	12%	15%	6%	7%
Total - Population 25 years and over	100%	100%	100%	100%

Source: U.S. Census Bureau, 2000.

**Race, ethnicity and language.** The racial composition of La Plata County is predominantly White, with over 87 percent of residents reporting themselves as White on the 2000 Census. Durango and Bayfield’s residents are also predominantly White. Native Americans comprise a significant proportion of the population of Ignacio (21 percent). Exhibit II-8 illustrates race data for 2000.

**Exhibit II-8.**  
**Race of La Plata County Residents, 2000**

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
White	87%	88%	92%	57%
Native American	5%	5%	2%	21%
Other/Multi-racial	8%	6%	6%	21%
Black	0%	0%	0%	0%
Asian and Pacific Islander	0%	1%	0%	1%

Note: Race data in the 2000 Census are not directly comparable to the 1990 Census and other previous censuses. In the 2000 Census, people were able to identify with more than one race, whereas in previous censuses, people could indicate only one race.

Source: U.S. Census Bureau, 2000.

Exhibit II-9 reveals that 10 percent (approximately 4,600) La Plata County residents identify themselves as Hispanic or Latino. While the largest number of Hispanics /Latinos reside in the City of Durango, Ignacio has the highest percentage at 43 percent.

**Exhibit II-9.**  
**Ethnicity of La Plata County Residents, 2000**

	<i>La Plata County</i>	<i>% of Total La Plata County</i>	<i>Durango</i>	<i>% of Total Durango</i>	<i>Bayfield</i>	<i>% of Total Bayfield</i>	<i>Ignacio</i>	<i>% of Total Ignacio</i>
Hispanic or Latino	4,519	10%	1,419	10%	156	10%	288	43%
Not Hispanic or Latino	<u>39,422</u>	<u>90%</u>	<u>12,604</u>	<u>91%</u>	<u>1,409</u>	<u>91%</u>	<u>381</u>	<u>57%</u>
<b>Total</b>	<b>43,941</b>	<b>100%</b>	<b>14,021</b>	<b>100%</b>	<b>1,565</b>	<b>100%</b>	<b>669</b>	<b>100%</b>

Source: U.S. Census Bureau, 2000.

English is the dominant spoken language throughout the county — in 2000, 91 percent of La Plata County’s residents spoke English only. This means that about 4,000 individuals speak a language other than English at home. Residents of Ignacio are much more likely to be non-English speakers than residents in other parts of the county; 21 percent of Ignacio’s residents speak Spanish as their primary language and 5 percent speak English less than “very well.”

**Exhibit II-10.**  
**Language Spoken at Home**

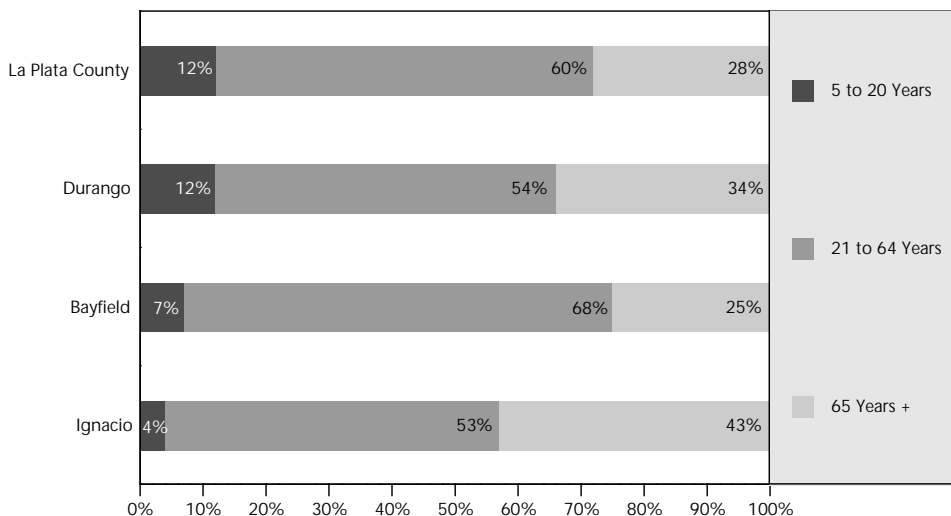
	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
English only	91%	89%	95%	74%
Spanish	6%	7%	4%	21%
Speak English less than "very well"	2%	3%	1%	5%
Other languages	2%	2%	1%	0%
Speak English less than "very well"	0%	0%	0%	0%

Source: U.S. Census Bureau, 2000.

**Disability status.** In 2000 La Plata County had 5,509 non-institutionalized civilians who were disabled. The 2000 U.S. Census Bureau defines a disability as a long-lasting physical, mental, or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside of the home alone or to work at a job or business.

Exhibit II-11 summarizes the age distribution of persons who were disabled. Throughout the county, the largest percentage of persons with a disability are of working age. In Bayfield and Ignacio, there are fewer children classified as disabled. Seniors make up a larger portion of the disabled population in Ignacio.

**Exhibit II-11.**  
**Age Distribution of Persons with Disabilities, 2000**



Note: The percent reflects the percentage of people with a disability in the specified age group (e.g., 12 percent of persons with disabilities living in La Plata County are between the ages of 5 and 20 years.)

Source: U.S. Census Bureau, 2000.

Approximately two of every three persons with disabilities in La Plata County are employed. Employment rates are higher in Durango and Bayfield and lower in Ignacio, perhaps reflecting the fact that Ignacio has a relatively larger proportion of disabled persons who are over the age of 64.

**Exhibit II-12.**  
**Percent of Persons with Disabilities**  
**21 to 64 Years of Age Who are**  
**Employed**

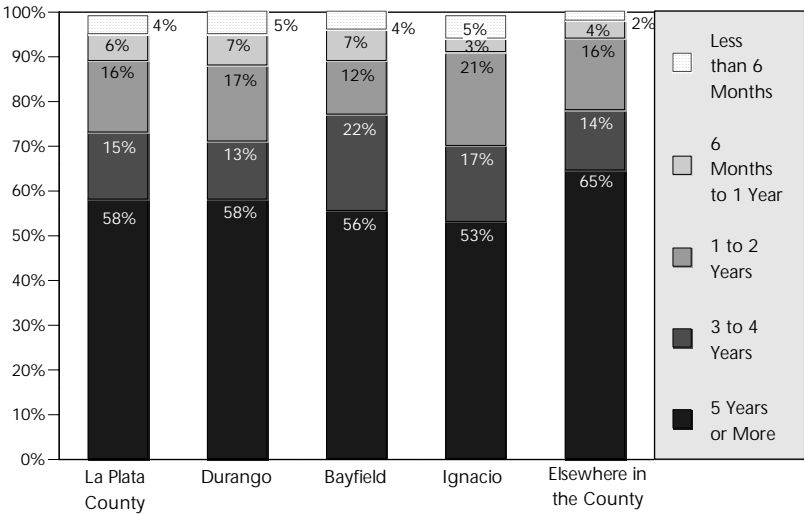
<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
59%	61%	63%	44%

Source:  
 U.S. Census Bureau, 2000.

**Residency.** According to the resident survey, well over half of respondents have lived in the same home for five or more years. This trend is true throughout the county, as demonstrated in Exhibit II-13. Turnover seems to be less frequent in Ignacio and in the non-metro parts of La Plata County.

**Exhibit II-13.**  
**Length of Time Lived in Home**

Source:  
 La Plata County Resident Survey.

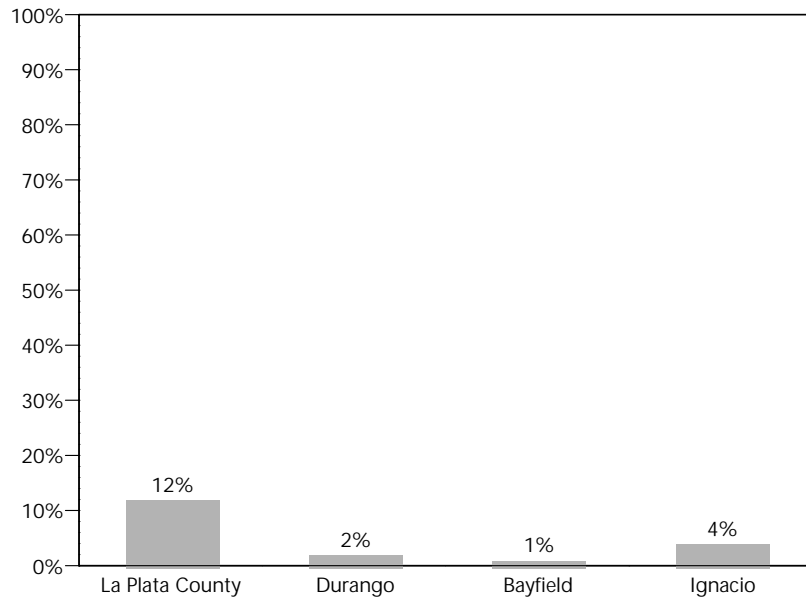


Twelve percent of the housing units in La Plata County are seasonal use units. Statewide, only 4 percent of units are seasonal use, according to the State of Colorado Demography Section. Exhibit II-14 illustrates the distribution of seasonal housing units among the three cities and the county. As would be expected, most seasonal-use housing is located in parts of the county outside of Durango, Bayfield and Ignacio.



**Exhibit II-14.**  
**Percent of Housing Units**  
**Used on Seasonal Basis**

Source:  
 Colorado Department of Local Affairs, 2000.

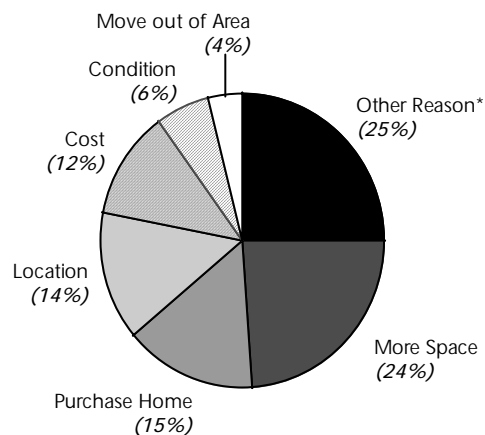


Finally, one in four survey respondents indicated that they want to move from their current home. The most prominent reason given for wanting to move is the desire for more space, either a larger home or yard. Fifteen percent of survey respondents wanted to move so that they could purchase their own home and another 12 percent wanted to move to decrease their housing costs. About the same number of people wanted to move closer to town or services as those who wanted to move farther away from town. Exhibit II-15 on the following page summarizes the reasons why people want to move.

**Exhibit II-15.**  
**Reasons for Wanting to**  
**Move**

\* Other reasons include "don't like condominium," "divorce settlement," "arrogant aunt landlord."

Source:  
 La Plata County Resident Survey.



## Households

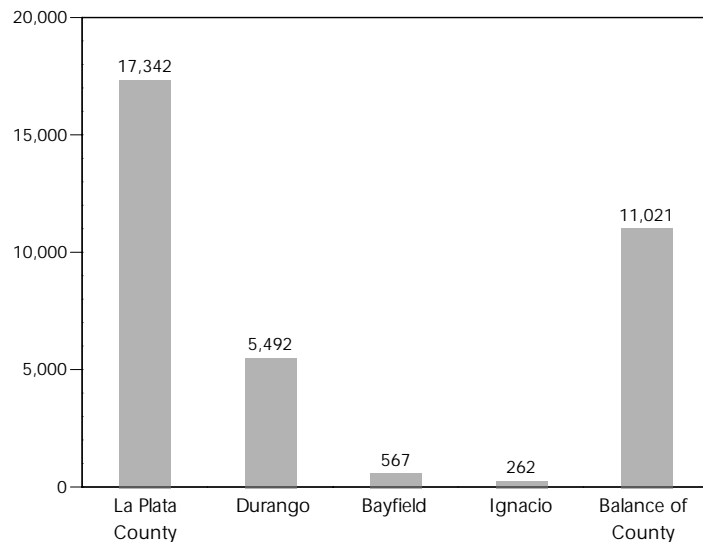
In a study focused on housing, the number and distribution of households is of obvious importance. The 44,000 residents of La Plata County make up approximately 17,000 households, meaning that there is an average of just over 2 persons living in area households. Census data report that overall, two-thirds of households live in owner occupied housing units, though in the City of Durango the mix of rental housing and owner occupied housing is about equal. Less than one in three households in the county contain children.

The remainder of this section describes the distribution, size and composition of households in La Plata County, Durango, Bayfield and Ignacio.

**Distribution.** In 2000, the total number of households in La Plata County was 17,342, a 45 percent increase from 1990. Bayfield with 567 households, experienced the largest percentage growth from 1990 to 2000 of 53 percent, Durango grew by 20 percent and Ignacio grew by less than 1 percent. Exhibit II-16 on the following page describes the number of households in La Plata County, Durango, Bayfield and Ignacio for 2000.

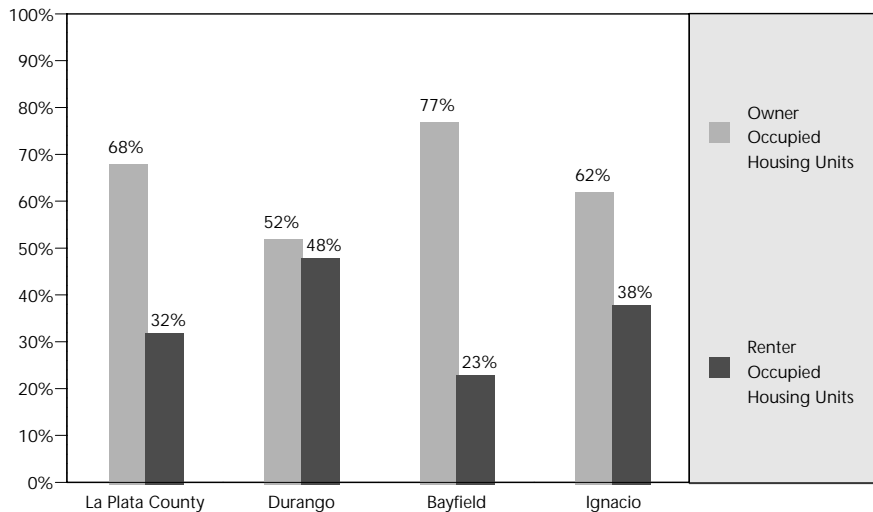
**Exhibit II-16.**  
**Number of Households in**  
**2000**

Source:  
U.S. Census Bureau, 2000.



According to the 2000 Census, Bayfield had the highest rate of owner occupied housing units at 77 percent and Durango had the highest rate of renter occupied units at 48 percent. In the county as a whole, 68 percent of units were owner occupied and 32 percent were renter occupied. Exhibit II-17 summarizes the data on owner and renter occupied housing.

**Exhibit II-17.**  
**Ownership and Rental Status, 2000**



Source: U.S. Census Bureau, 2000 Census.

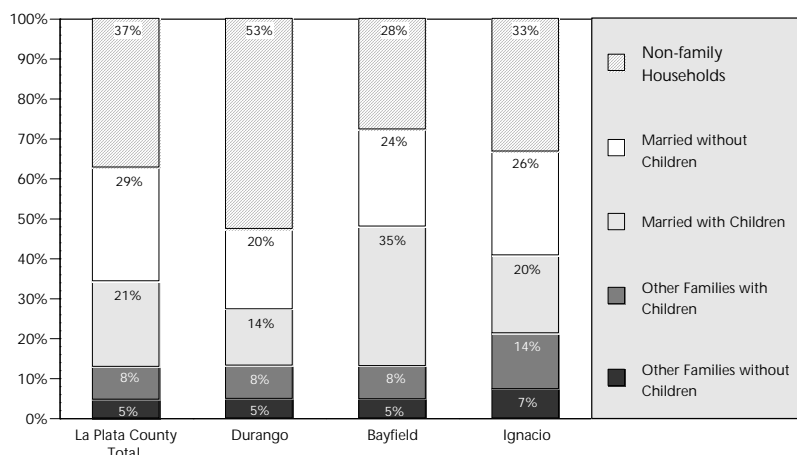
**Household size.** From 1990 to 2000 La Plata County's average household size decreased slightly from 2.6 to 2.4. The same trend also occurred in Durango, Bayfield and Ignacio. This average includes all types of households, including one-person households, unrelated roommates and families. According to the Census, owner households tend to be slightly larger than renter households. Average household size for owners was 2.5, while average household size for renters was 2.2.

Approximately 20 percent of the children under age six included in the survey results lived in rental households. The percentage living in rental housing decreases to 11 percent when looking at children and teenagers between the ages of six and eighteen. These figures may reflect the fact that families with younger children also contain relatively younger parents who are more likely to be in the rental market.

**Household composition.** The 2000 Census provides detailed information on household composition. In the county, the highest proportion of households overall are non-family households, followed by married couples without children. Durango has the largest proportion of non-family households at over 50 percent, most likely attributable to the student population at Fort Lewis College. Exhibit II-18 shows the household composition for the county, city and towns.

## Exhibit II-18. Household Composition of Population in Study Areas, 2000

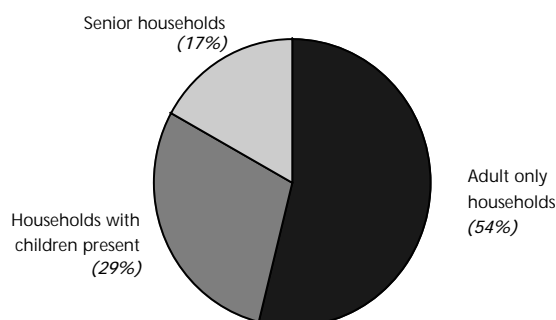
Source:  
U.S. Census Bureau, 2000.



The household composition categories from the U.S. Census can be somewhat confusing. In the mail survey, county residents were asked to describe the people living in their household. Based on responses, the study team has created three household categories that are used for analysis throughout this report. Senior households are composed only of adults over the age of 65. Households with children have at least one member under the age of eighteen. Adult only households contain no children and no one over the age of 65 (i.e., adults between 19 and 64 only). Exhibit II-19 describes the distribution of households in La Plata County according to the survey.

## Exhibit II-19. Household Composition, La Plata County

Source:  
La Plata County Resident Survey.



## Income

Income is an important constraint in the ability to own a home, live in a desired location or live in a home that is well maintained and provides sufficient space. La Plata County's median household income in 1999 was just above \$40,000. Geographic distribution of income categories, income differences between renters and owners and income differences for families with children versus other households are all explored in detail below.

**Defining household income-and family income.** Income is typically reported in two ways: household income data and family income data. The U.S. Census reports both figures. The difference between these two income figures is:

- Household income includes the income of all the people who occupy a housing unit (house, apartment, condo) as their usual place of residence.
- Family income includes the income of at least two or more people who live in the same household and are related by birth, marriage or adoption.

Therefore, reports of family income do not include single people living alone because they do not fit the definition of a family. There is a separate category for these individuals, called non-family households, and the U.S. Census reports information separately for this group.

Certain organizations may wish to use household income versus family income depending on their activities and the population they serve. For organizations that primarily serve families, family income may provide a more accurate description of the income level of their clientele. For organizations that serve the general public, household income may be more appropriate. For example, when deriving the median income for Durango, median *family* income excludes seniors living alone. However, median *household* income from the U.S. Census includes these individuals.

One organization that addresses median family income is the U.S. Department of Housing and Urban Development (HUD). They estimate that the 2001 median *family* income for La Plata County is \$49,400, which represents a family of four persons, or \$34,500 for one person.

Because this study includes all individuals living in Durango and La Plata County to calculate demand for housing, we will use *household* income from the U.S. Census as our source of income information. This income figure includes all households in Durango and La Plata County, regardless of the relationships or number of persons living in the housing unit.

**Median household income.** La Plata County's median household income in 1999 was \$40,159, which increased by 56 percent from 1989. Although Ignacio had the lowest median income of the four areas in both 1989 and 1999, the Town showed the highest percent increase over the same period as demonstrated by Exhibit II-20.

**Exhibit II-20.  
Median Household  
Income**

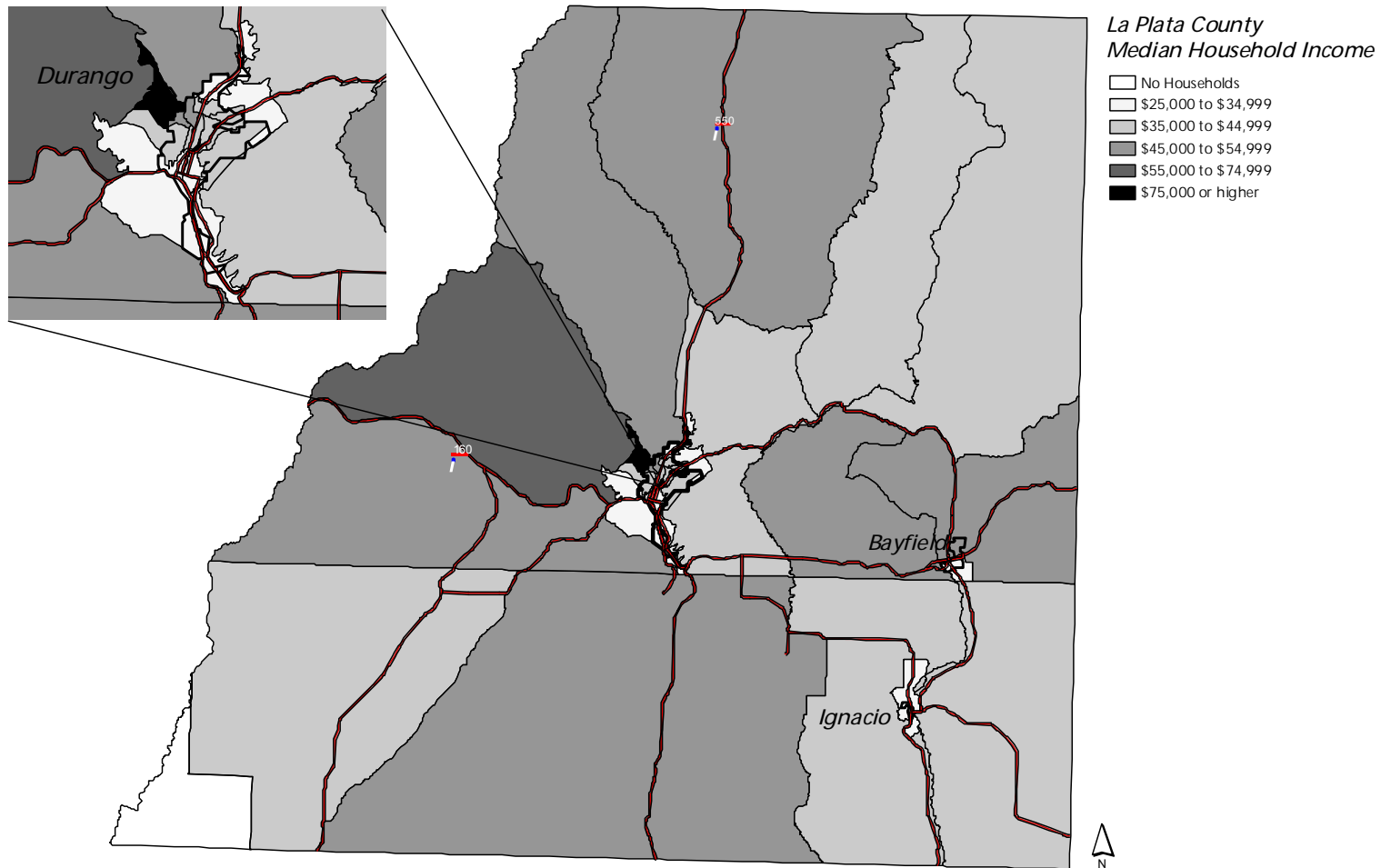
Source:  
1990 and 2000 U.S. Census Bureau.

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
1989	\$25,759	\$22,996	\$23,266	\$12,847
1999	\$40,159	\$34,892	\$39,336	\$27,917
Percent change	56%	52%	69%	117%

The U.S. Census reported La Plata County's average (or mean earnings in households with earnings) income to be \$48,059 in 1999. Though average income can provide some insights, policy makers typically rely on median income, as average income statistics can be skewed by the presence of a few very wealthy or very poor people within the area of consideration.

**Income by area.** The wealthiest area of La Plata County includes the northwestern corner of the City of Durango and the immediately surrounding areas in the county. There are no census block groups (the smallest area for which data are available) in the county where median household income is less than \$25,000. The parts of the county with the lowest median household income include Ignacio and all of the areas surrounding Ignacio, south Bayfield, the southern part of Durango and the northeastern part of Durango. Exhibit II-21 on the following page portrays median household income for the 32 census blocks in La Plata County.

Exhibit II-21.  
Median Household Income by Census Block Group, La Plata County



There are approximately 1,500 households in La Plata County with annual earnings below \$10,000. A greater proportion of Ignacio households are lower income, but there are fewer than 100 households in the Town earning less than \$20,000 a year. Higher income households, those earning more than \$75,000 a year, are primarily located in Durango or in unincorporated areas of the county. Exhibit II-22 summarizes the distribution of household income for 1999.

**Exhibit II-22.**  
**Household Income Distribution, 1999**

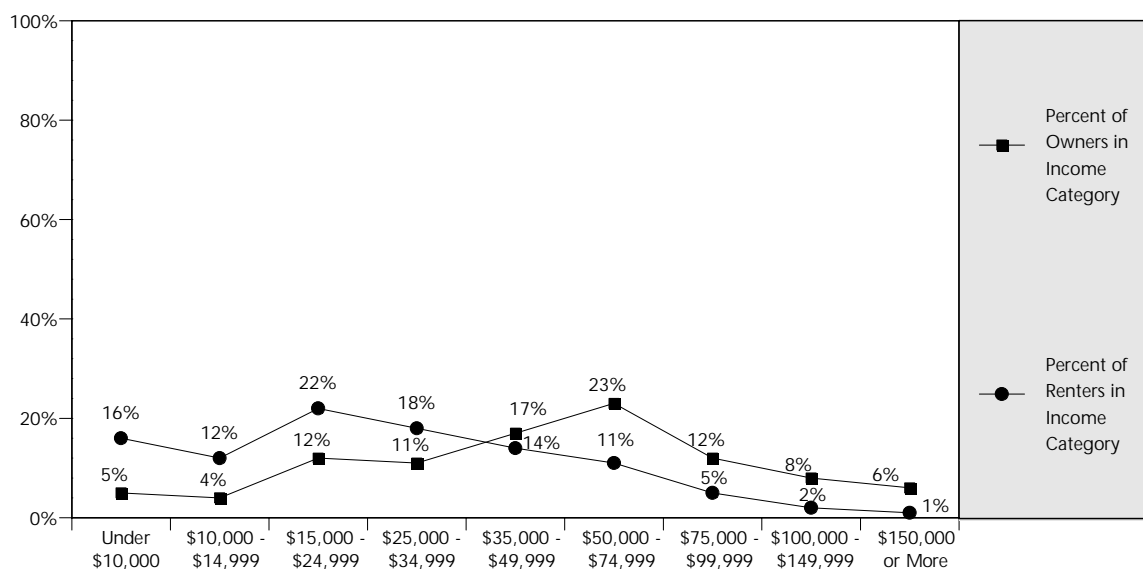
	<i>La Plata County</i>	<i>% of Total La Plata County</i>	<i>Durango</i>	<i>% of Total Durango</i>	<i>Bayfield</i>	<i>% of Total Bayfield</i>	<i>Ignacio</i>	<i>% of Total Ignacio</i>
Less than \$10,000	1,525	9%	646	12%	43	8%	33	12%
\$10,000-\$19,999	2,309	13%	844	15%	56	10%	62	23%
\$20,000-\$29,999	2,409	14%	870	16%	81	14%	47	17%
\$30,000-\$39,000	2,396	14%	732	13%	114	20%	25	9%
\$40,000 - \$49,000	1,760	10%	475	9%	72	13%	33	12%
\$50,000 to \$59,999	1,618	9%	536	10%	68	12%	22	8%
\$60,000 to \$74,999	1,684	10%	463	8%	67	12%	35	13%
\$75,000 to \$99,999	1,762	10%	453	8%	37	6%	14	5%
\$100,000 or more	1,883	11%	519	9%	33	6%	3	1%

Source: U.S. Census Bureau, 2000.

**Income by type of household.** Given the importance of income in determining housing affordability, the study team also examined the relative incomes of renter versus owner households, households of different sizes and households of different types.

As demonstrated by Exhibit II-23, just under one-fourth of owner households earn between \$50,000 and \$75,000 a year. Owners tend to have higher incomes than renters with 50 percent of renters earning less than \$25,000 a year and only 21 percent of owners earning less than \$15,000.

**Exhibit II-23.**  
**Income Distribution of Renters and Owners, La Plata County**



Source: U.S. Census Bureau, 2000.

Lower income households also appear to be smaller, according to the results of the resident survey. Exhibit II-24 shows that 43 percent of households earning less than \$10,000 a year contain only one person and another 43 percent of households in this income range contain only two people. In contrast, 23 percent of households earning between \$35,000 and \$49,999 a year have three or four members.

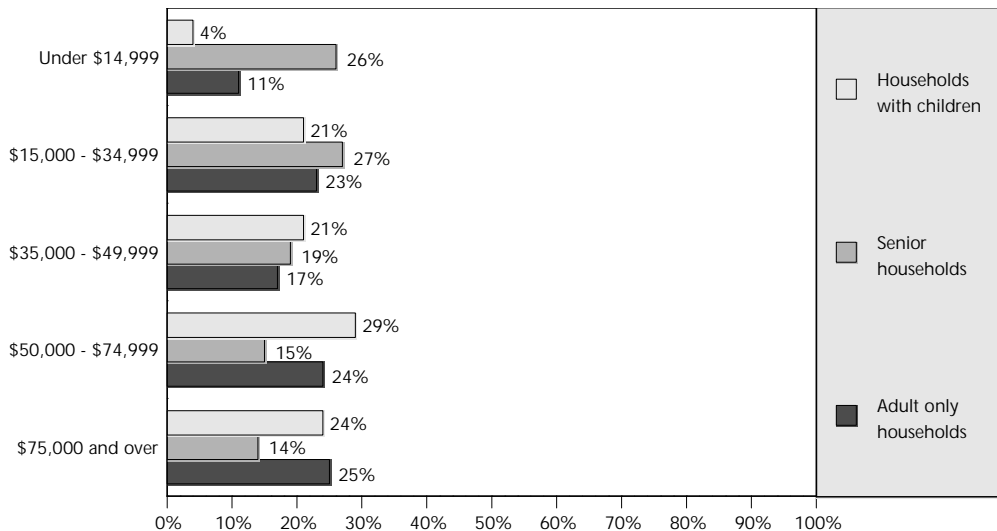
**Exhibit II-24.**  
**Income Distribution by Household Size, La Plata County**

Income	Household Size			
	1	2	3 to 4	5 +
Under \$10,000	43%	43%	14%	0%
\$10,000 - 14,999	50%	32%	16%	3%
\$15,000 - \$24,999	41%	38%	12%	9%
\$25,000 - \$34,999	26%	44%	24%	6%
\$35,000 - \$49,999	20%	48%	23%	8%
\$50,000 - \$74,999	16%	45%	31%	9%
\$75,000 - \$99,999	6%	54%	36%	5%
\$100,000 - \$149,999	11%	51%	32%	6%
\$150,000 or more	10%	55%	30%	5%

Source: La Plata County Resident Survey.

Finally, the survey suggests that households with children are more likely to have higher incomes than senior households (meaning households containing only adults above age 65) or households with only adults present. Senior households are more likely to have lower incomes. Exhibit II-25 describes the percent of households by household type within certain income categories.

**Exhibit II-25.**  
**Income Distribution by Type of Household, La Plata County**



Source: La Plata County Resident Survey.



## Economics and Employment

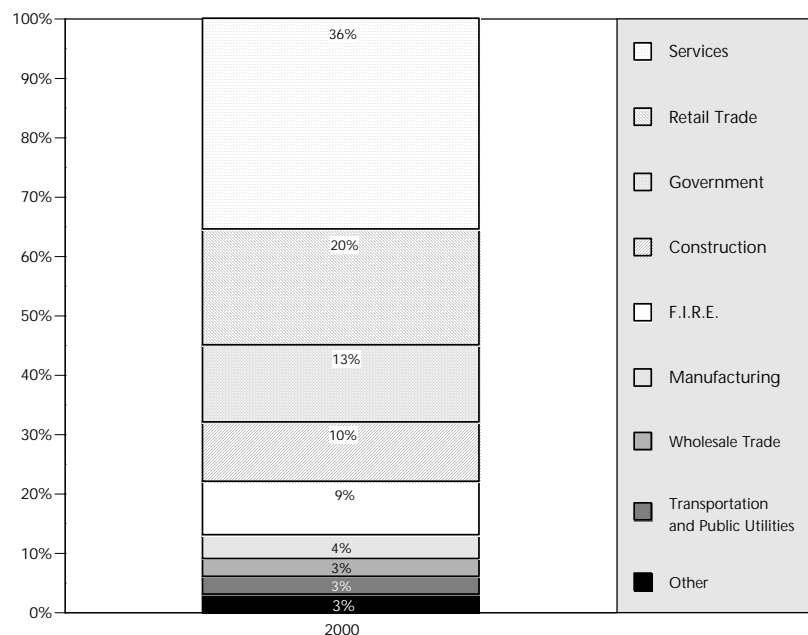
The employment overview of La Plata County, the City of Durango and the Towns of Bayfield and Ignacio examines key indicators of the health of the local economy: employment, including trends in the job growth by employment sector, earnings, unemployment rates and commuting patterns. The economic data presented below were obtained primarily from the Colorado Department of Labor and the U.S. Commerce Department's Bureau of Economic Analysis (BEA), both of which only present information for the county as a whole. The resident survey provided additional insights.

**Industry base.** From 1990 to 2000, La Plata County's basic economic structure has remained relatively unchanged. The three largest employment sectors are services, retail trade, and government; these three employment sectors account for two-thirds of all the jobs in La Plata County. These figures are comparable to statewide averages for 2000, where these sectors comprised more than 60 percent of all employment. The greatest differences between La Plata County and Colorado's statewide employment base is the larger share of service and retail employees in the county. Of all sectors, the service sector grew at the highest rate and followed the same growth trend as the state. Exhibit II-26 summarizes La Plata County's current employment base.

**Exhibit II-26.**  
**Full and Part-Time**  
**Employment by Industry**  
**in La Plata County, 2000**

Note:  
F.I.R.E is Finance, Insurance, and Real Estate.  
Other includes farming, agricultural services  
and mining.

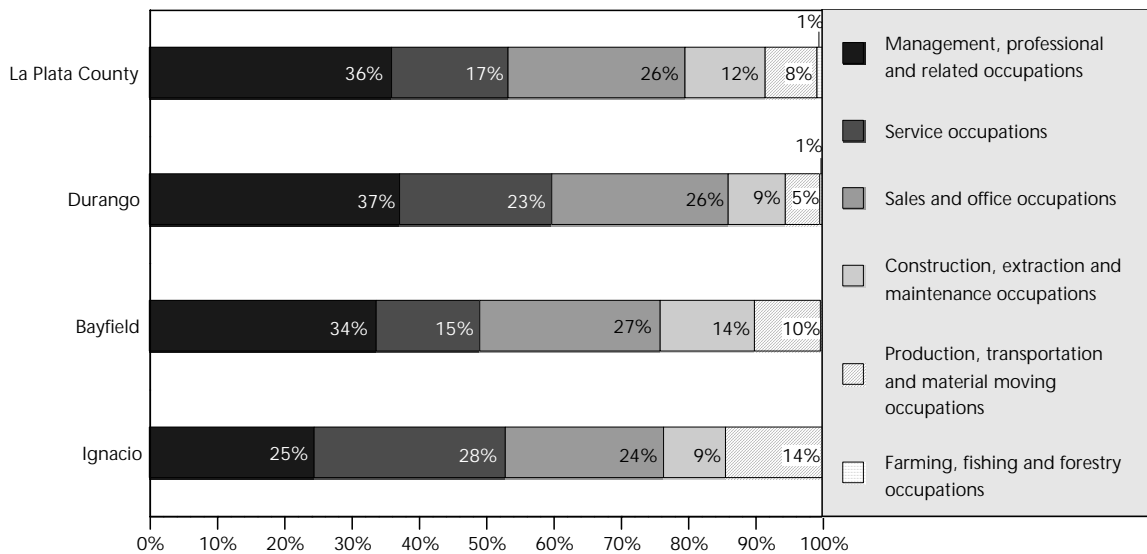
Source:  
Bureau of Economic Analysis, Regional  
Economic Information System data.



**Jobs.** According to BEA estimates, total employment in La Plata County grew 59 percent from 1990 to 2000. In 2000, there were 31,757 jobs in La Plata County, compared with 19,975 in 1990. The results of the resident survey indicate that each La Plata County household contains an average of 1.7 working adults, including part- and full time workers.

Exhibit II-27 on the following page describes the types of jobs most prevalent in La Plata County. About one of every three jobs was classified as management or professional, though in Ignacio only one in four jobs was in this category.

**Exhibit II-27.**  
**Occupations in La Plata County, 2000**



Source: U.S. Census Bureau, 2000.

Seventy percent of the workers in La Plata County hold jobs in the private market, while a little less than one-fifth of the workers work for the government. Exhibit II-28 shows that over one-third of Ignacio workers were employed by the government, which was the highest percentage of the highlighted areas. Durango had the highest percentage of workers who were private wage and salary workers at 73 percent.

**Exhibit II-28.**  
**Type of worker in La Plata County Area, 2000**

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
Private wage and salary workers	69%	73%	68%	57%
Government workers	18%	17%	20%	37%
Self-employed workers in unincorporated business	12%	10%	11%	6%

Source: U.S. Census Bureau, 2000.

**Wages.** Two of the largest sectors in the county (retail trade and services) have relatively low wages. Retail trade yields the lowest earnings, though it comprises the second largest employment sector. Earnings are higher in La Plata County's growing construction and wholesale trade and the government sector. The transportation/public utilities sector, which has the highest average earnings, increased the number of jobs over the past decade. Exhibit II-29 on the following page summarizes earnings trends in La Plata County's major employment categories.

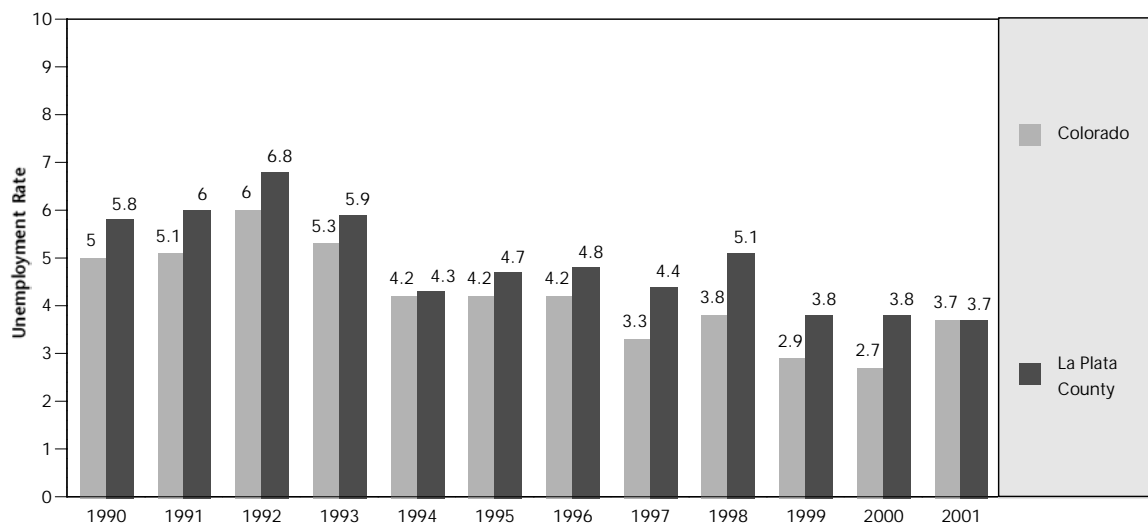
**Exhibit II-29.****Earning Trends in Major Employment Categories, 1990 and 2000**

<i>Major Categories</i>	<i>1990 Per Job Average La Plata County</i>	<i>2000 Per Job Average La Plata County</i>	<i>Percentage Increase</i>
Construction	\$25,170	\$31,360	16%
Manufacturing	\$14,130	\$24,040	65%
Transportation/Public Utilities	\$29,030	\$44,760	47%
Wholesale Trade	\$21,290	\$31,030	47%
Retail Trade	\$12,130	\$16,720	40%
F.I.R.E.	\$8,810	\$19,610	133%
Services	\$15,280	\$25,890	42%
Government	\$25,110	\$34,140	32%
<b>Total</b>	<b>\$16,330</b>	<b>\$25,340</b>	<b>41%</b>

Source: Bureau of Economic Analysis, Regional Economic Information System.

**Unemployment.** According to the Colorado Department of Labor & Employment the average unemployment rate in La Plata County was 3.7 percent in 2001. The most recent unemployment rate peak occurred in 1992, when unemployment was calculated at 6.8 percent.

La Plata County's unemployment rate has followed the State of Colorado's overall trend but has been approximately 1 percent higher than the state until 2001 when the unemployment rates for the county and Colorado were the same. The most recent, but not seasonally adjusted unemployment information as of August 2002, indicates that La Plata County has fared better than Colorado as a whole in weathering the economic downturn. The August 2002 unemployment rate for Colorado was 5 percent and for La Plata County it was 4 percent. Exhibit II-30 shows La Plata County and statewide unemployment trends.

**Exhibit II-30.****Unemployment, 1990-2001**

Source: Colorado Department of Labor, December 2001 and CEDIS.

**Location of jobs.** According to the resident survey, most employed residents of La Plata County work in Durango. Very few survey respondents reported being employed in parts of the county outside of Durango, Bayfield and Ignacio, as is evident in Exhibit II-31. Owners and renters tend to have similar patterns in terms of job location, though renters are slightly more likely to work in Durango.

**Exhibit II-31.**  
**Location of Jobs for Head of Household**

Source:  
La Plata County Resident Survey.

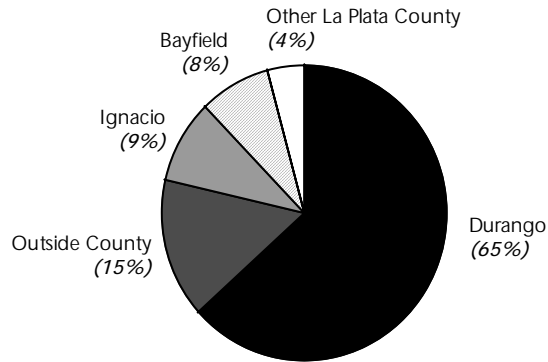
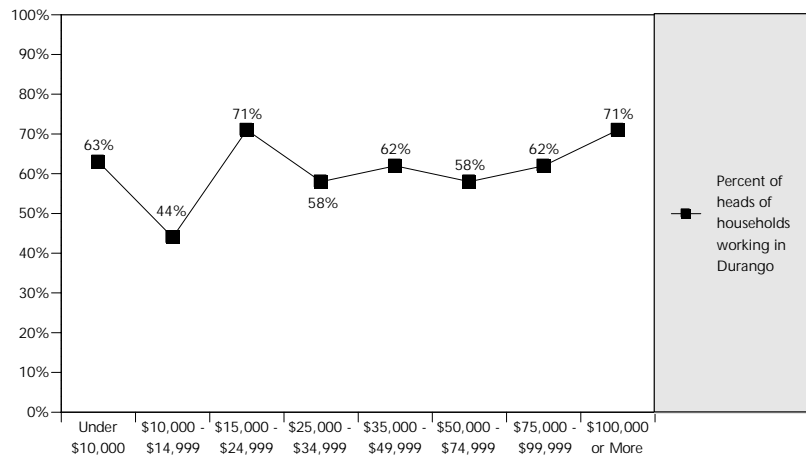


Exhibit II-32 demonstrates that La Plata County residents with incomes between \$15,000 and \$25,000 and more than \$100,000 are somewhat more likely to work in Durango than residents whose household income falls into other categories.

**Exhibit II-32.**  
**Jobs in Durango by Household Income**

Source:  
La Plata County Resident Survey.



Of survey respondents living in Durango, eighty-two percent of the heads of household also work in Durango. More than half of Ignacio heads of household work in Ignacio and almost one-third of Bayfield heads of household work in their hometown. Residents of areas outside of Durango who do not work in their hometowns most often commute to Durango. Exhibit II-33 on the following page compares where survey respondents live and where they work.

**Exhibit II-33.**  
**Place of Residence and Place of Work**

<i>Work</i>	<i>Residence</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in La Plata County</i>
Durango	82%	44%	16%	47%
Bayfield	1%	32%	3%	8%
Ignacio	2%	4%	60%	3%
Elsewhere in La Plata County	3%	3%	3%	18%
Outside County	<u>12%</u>	<u>17%</u>	<u>18%</u>	<u>24%</u>
	100%	100%	100%	100%

Note: Table should be read as follows: 82 percent of people living in Durango (residence) also work in Durango. Only 2 percent of people living in Durango work in Ignacio.

Source: La Plata County Resident Survey.

**Commuting patterns.** Of the 22,481 working persons living in La Plata County, approximately 70 percent reported driving alone to work and approximately 14 percent carpooled. Of the three incorporated areas, Durango had the lowest percentage of residents driving to work. In Bayfield and Ignacio approximately three of every four residents drives to work alone, a fact that is not surprising given that most of the jobs in the county are not located in these communities. Fourteen percent of Bayfield residents carpooled to work while only 6 percent of Ignacio's residents carpooled. Ignacio had the highest percentage (15 percent) of persons who walked to work. In Durango 4 percent of residents reported biking to work. Exhibit II-34 summarizes the means of transportation to work.

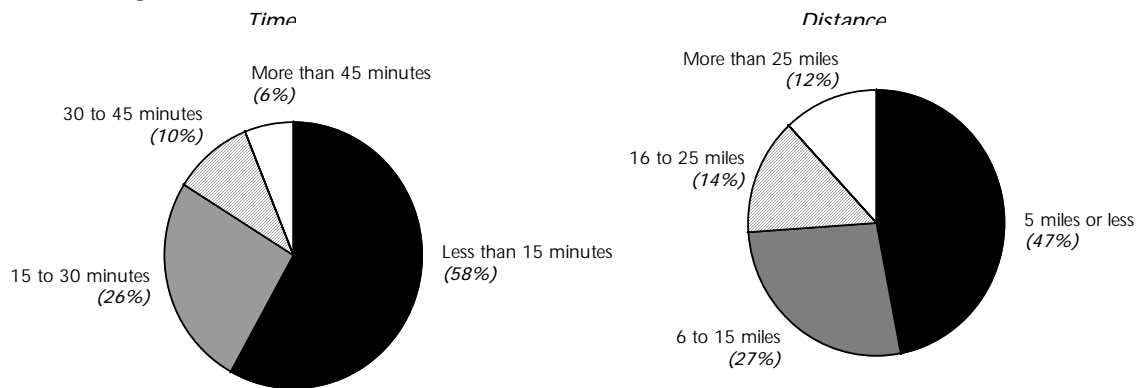
**Exhibit II-34.**  
**Means of Transportation to Work**

	<i>Percent of Total La Plata County</i>	<i>Percent of Total Durango</i>	<i>Percent of Total Bayfield</i>	<i>Percent of Total Ignacio</i>
Car, truck or van - drove alone	69%	63%	77%	75%
Car, truck or van - carpooled	14%	12%	14%	6%
Public transportation (including taxicab)	1%	2%	0%	0%
Walked	5%	11%	4%	15%
Other means	2%	5%	1%	3%
Worked at home	8%	7%	4%	1%

Source: U.S. Census Bureau, 2000.

Well over half of county residents who responded to the survey have a commute of less than 15 minutes to get to work. This short commuting time coincides with the fact that about half of residents drive less than five miles to reach their jobs. Renters are slightly more likely to have a commute of less than fifteen minutes: this is also the case for heads of households in households earning more than \$75,000 a year and less than \$10,000 a year. As Exhibit II-35 on the following page illustrates, only 6 percent of county residents drive more than 45 minutes to get to work and 12 percent drive more than 25 miles.

### Exhibit II-35. Commuting Patterns



Source: La Plata County Resident Survey.

Data from the U.S. Census Bureau describing average commuting time by place of residence are consistent with the resident survey. People living in Durango were more likely to have a commute of less than fifteen minutes. Many residents of Bayfield also had a short commute, but approximately one in four spent more than thirty minutes in the car. See Exhibit II-36 for more details.

### Exhibit II-36. Commuting Time for Residents of Different Areas

	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in La Plata County</i>
Less than 15 minutes	71%	41%	54%	37%
15 to 30 minutes	21%	30%	20%	42%
30 to 45 minutes	4%	23%	15%	14%
More than 45 minutes	5%	5%	10%	8%

Source: U.S. Census Bureau, 2000.

## Conclusion

This overview of the general demographics and economic conditions within La Plata County, the City of Durango and the Towns of Ignacio and Bayfield forms an important foundation for an examination of the housing situation within the area. Population growth, household formation, and household income are all important demographic indicators that affect housing demand. Equally important in an examination of current and future housing needs is an understanding of economic, employment and earning trends.

Key findings include the following.

- Growth in population and households has been concentrated in unincorporated parts of the county in recent years. There are currently 17,342 households in La Plata County.

- Thirty-two percent of the population lives in Durango, 3 percent lives in Bayfield and 1 percent lives in Ignacio. The remaining 63 percent of the population lives in rural or unincorporated parts of the county.
- There are more people between the ages of 25 and 44 than any other age group. As these are prime home-buying years, the prevalence of this age group may explain some of the pressures towards increasing the supply of affordable homes available for purchase.
- Most people in the county have lived in their homes for more than five years. People living in unincorporated parts of the county are even more likely to stay in their homes for long periods of time.
- Seasonal housing is concentrated in the unincorporated parts of the county.
- Countywide, 68 percent of households are owner occupied and 32 percent are renter occupied. Ownership rates are higher in Bayfield. In Durango, there is almost an even split in the number of owner occupied units and renter occupied units.
- Twenty-nine percent of county households contain children. Seventeen percent are senior households, meaning all adults living there are over age 65. Fifty-four percent of households contain only adults between the ages of 19 and 64.
- Median household income in the county is \$40,159. This implies that the median household can afford approximately \$1,000 per month in housing costs. About 2,600 households in the county earn less than \$15,000 per year. These households can afford about \$375 per month in housing costs.
- Renters earn less than owners.
- The area with the lowest incomes in the county is to the South and Northeast of Durango, to the South of Bayfield and the Town of Ignacio. The highest income area is the Northwest corner of Durango and the immediately surrounding parts of the county.
- Over half of households with children earn more than \$50,000 a year. Over half of households containing only seniors earn less than \$35,000 a year. Senior households often have lower housing costs because they do not have a mortgage or they have relatively low mortgage payments.
- La Plata County has an increasingly diverse economic base and growing employment, particularly in the services sector, which tends to have somewhat lower wages relative to other economic sectors.
- Most employed persons work in Durango. While many Bayfield residents commute to Durango for their jobs, Ignacio appears to be a much more self-contained community with 60 percent of residents working in town.
- Over half of working people in the county have short commutes of less than five miles or less than 15 minutes.

The next section of this report presents an overview of the supply of housing in La Plata County.

## SECTION III.

### Housing Supply Analysis

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## SECTION III.

### Housing Supply Analysis

In this section we build on the demographic and economic data presented in Section II to examine the housing supply in La Plata County. In general, a housing market can be characterized by two basic descriptors: the amount of housing that is available and the condition of the housing stock.

#### Overall Housing Supply

The number of housing units in La Plata County is obviously a key issue for this study. As of 2000, there were almost 21,000 housing units in the county. Almost two-thirds of units are detached, single family homes and just over two-thirds of all units are located in parts of the county outside of Durango, Bayfield and Ignacio. Much of the vacancy rate in unincorporated parts of the county can be attributed to seasonal use, and rental vacancy rates tend to be lower than the statewide average. The resident survey suggests that about half of homes in the county have three bedrooms and two bathrooms. Renters live in smaller homes more often than owners do and households with children present tend to live in larger homes.

The remainder of this discussion provides more information about the quantity and type of housing available in La Plata County by examining home inventory, the type of housing units, age of the housing stock, occupancy and vacancy rates, moving and migration, ownership status, size of housing units and new development.

**Home inventory.** As Exhibit III-1 illustrates, the number of housing units in La Plata County has increased by 35 percent over the past ten years. There are now 20,765 housing units throughout the county, including apartments, houses, mobile homes, condominiums/townhomes and single rooms. The proportion of those units that is owner occupied has also increased.

**Exhibit III-1.**  
**La Plata County Housing Inventory**

Source:  
U.S. Census Bureau, 1990 and 2000.

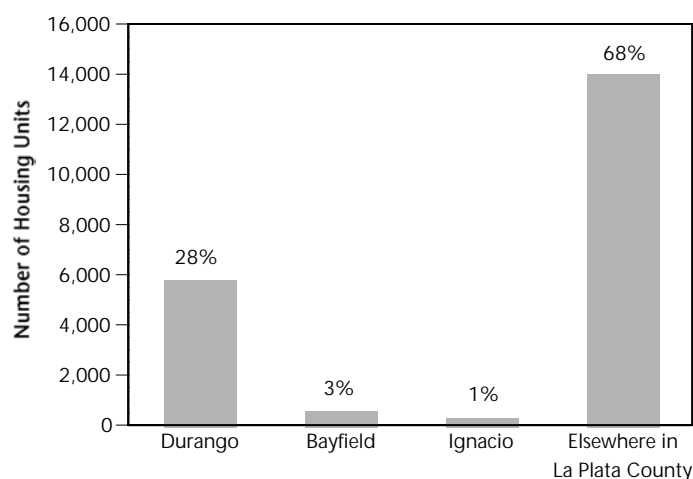
	<i>1990</i>	<i>Percent</i>	<i>2000</i>	<i>Percent</i>
Owner occupied	7,818	51%	11,867	57%
Renter occupied	4,158	27%	5,475	26%
Vacant	<u>3,436</u>	<u>22%</u>	<u>3,423</u>	<u>16%</u>
<i>Total housing units</i>	<i>15,412</i>	<i>100%</i>	<i>20,765</i>	<i>100%</i>

The housing market has also been growing in the City of Durango. In their 2001 Annual Report, the city's Department of Planning & Community Development stated, "In the new residential [building permit] category, the 211 new residential units was the highest total in the last 20 years, with new highs in both single family home construction and tied for highest previous multifamily construction. Moreover, the valuation for residential construction activity was almost double the highest amount of any previous year."

As would be expected given the population and household distribution of the county, most housing units are located in unincorporated La Plata County. As Exhibit III-2 shows, 28 percent of housing units are located in Durango, 3 percent in Bayfield and 1 percent in Ignacio.

**Exhibit III-2.  
Number of Housing Units**

Source:  
U.S. Census Bureau, 2000.



**Type of housing units.** Data from the 2000 U.S. Census also indicate that 63 percent of the residential structures in La Plata County are detached, single family homes. The proportion of detached, single family residences in the city of Durango is 57 percent and in Bayfield is 76 percent. Not surprisingly, about two-thirds of all multi-unit structures within the county are in Durango. As Exhibit III-3 demonstrates, 17 percent, or almost one of every five, residential structures in the county is a mobile home.

**Exhibit III-3.  
Housing Units in Structure, 2000**

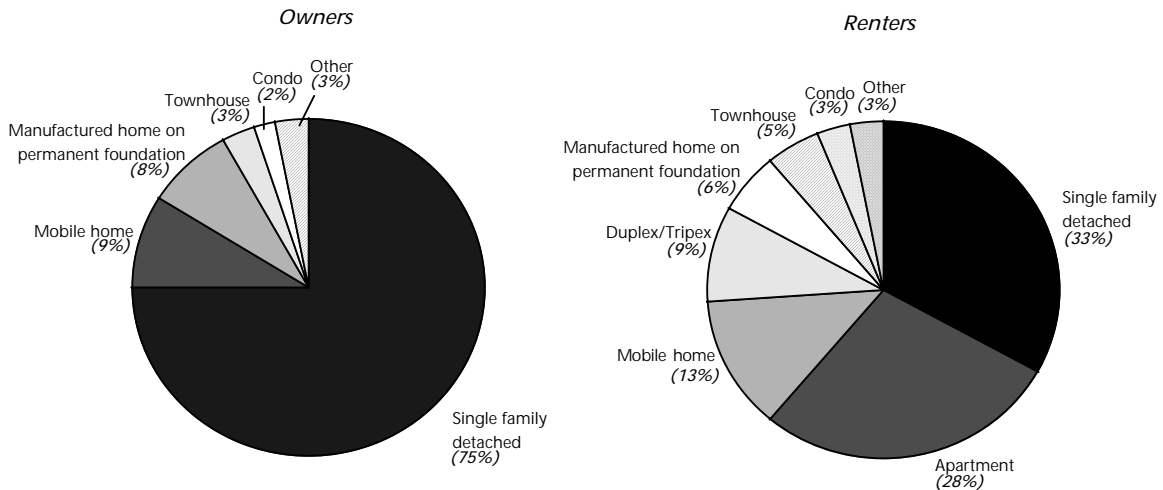
	<i>Total La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
1-unit, detached	63%	57%	76%	64%
1-unit, attached	6%	6%	1%	0%
2 units	3%	7%	1%	3%
3 or 4 units	3%	7%	4%	4%
5 to 9 units	3%	7%	1%	1%
10 to 19 units	3%	6%	1%	0%
20 or more units	2%	5%	0%	0%
Mobile homes	17%	5%	17%	28%
Boat, RV, van, etc.	1%	0%	0%	0%
<i>Total number of housing units</i>	<i>20,765</i>	<i>5,813</i>	<i>588</i>	<i>307</i>

Note: Totals may not add to 100 percent due to rounding.

Source: 2000 U.S. Census Bureau.

The survey of La Plata County residents provides some insight into the characteristics of persons occupying different types of housing units. Homeowners appear much more likely to live in single family detached units than any other type of housing. However, 9 percent of owners live in a mobile home and 8 percent live in a manufactured house on a permanent foundation. Exhibit III-4 shows that, in contrast, only 33 percent of renters live in single family detached homes. Nearly three of every ten renter households occupies an apartment.

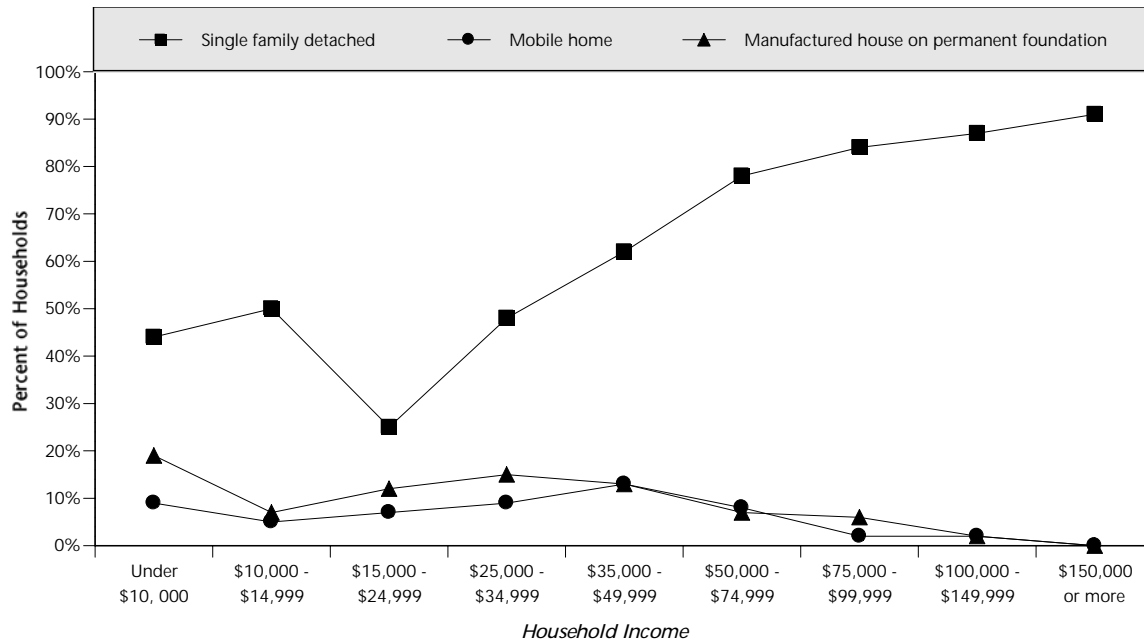
**Exhibit III-4.**  
**Type of Housing, Owners vs. Renters**



Source: La Plata County Resident Survey, 2002.

Considering the relationship between income and type of housing, the resident survey only provided enough responses to analyze single family detached homes, mobile homes and manufactured homes on permanent foundations. As demonstrated by Exhibit III-5, households at all income levels are more likely to live in a single family detached home. However, as a household's income increases, so does the likelihood of living in a single family home instead of a mobile or manufactured home.

**Exhibit III-5.**  
**Type of Housing by Income Level**



Note: Totals do not add to 100 percent due to insufficient data on other types of housing such as townhomes or duplexes.  
Source: La Plata County Resident Survey, 2002.

Finally, in Exhibit III-6 we look at the types of housing by different types of households: households with children, senior households and other adult households. Three quarters of both households with children and senior households occupy single family detached homes. Manufactured homes on permanent foundations are the second most prevalent type of housing for families with children and mobile homes are the third. While two of every three adult households occupy single family detached homes, these types of households are also more likely to occupy a diverse set of housing units from townhomes to mobile homes to apartments.

**Exhibit III-6.**  
**Type of Housing by Household Categories**

	Household Categories		
	Children Present	Seniors	Other Adult
Single family detached	74%	74%	62%
Manufactured home on permanent foundation	11%	6%	5%
Mobile home	10%	4%	11%
Townhouse	2%	0%	5%
Condominium	1%	3%	4%
Apartment	2%	8%	6%
Duplex/triplex	2%	1%	3%
Other	0%	4%	3%

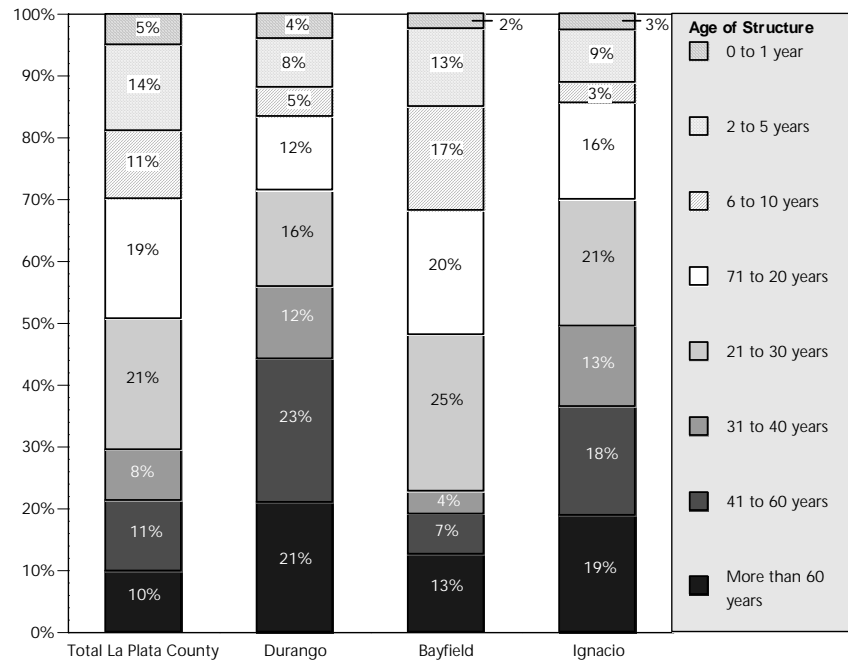
Notes: (1) Totals do not add to 100 percent due to rounding.  
(2) Table should be read as follows: 74 percent of households with children present occupy single family detached units.  
Source: La Plata County Resident Survey, 2002.

**Age of housing stock.** Ten percent of homes in La Plata County are more than 60 years old. In contrast, 30 percent of homes were built within the last ten years. Durango and Ignacio have an older housing stock than Bayfield, where almost one-third of houses were built in 1990 or later. See Exhibit III-7 for a detailed breakdown of the distribution of homes by age.

**Exhibit III-7.  
Age of Housing Stock**

Note:  
Age of structure as of 2000.

Source:  
2000 U.S. Census Bureau.



**Occupancy and vacancy.** La Plata County's overall vacancy rate, including all housing units, declined from 22 percent in 1990 to 16 percent in 2000. As described by Exhibit III-8, Durango and Bayfield have low vacancy rates relative to Ignacio and the rest of La Plata County.

**Exhibit III-8.  
Occupancy Rates, 2000**

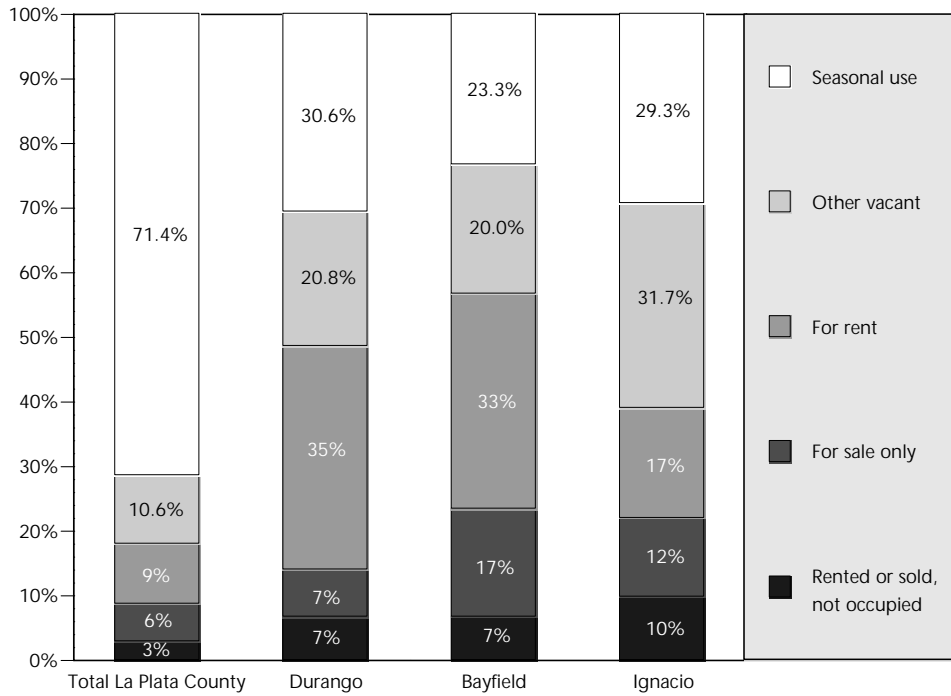
Source:  
U.S. Census Bureau, 2000.

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
Occupied	84%	94%	95%	87%
Vacant	16%	6%	5%	14%
<i>Total</i>	<i>20,765</i>	<i>5,819</i>	<i>597</i>	<i>303</i>

The 2000 vacancy rate for housing units in the City of Durango (6 percent) was only slightly lower than the 1990 Census vacancy rate of 7 percent. Bayfield and Ignacio's 2000 vacancy rates also declined slightly from 1990 Census rates.

As Exhibit III-8 shows, the county's overall vacancy rate was higher than that of the municipalities within the county. This implies that the roughly 14,000 housing units in the remainder of La Plata County had relatively high vacancy rates, probably because of the presence of second homes that are vacant for most of the year. In fact, as Exhibit III-9 on the following page shows, nearly three-fourths of the county's overall vacancies are due to seasonal use.

**Exhibit III-9.**  
**Vacancy Status for Vacant Housing Units, 2000**

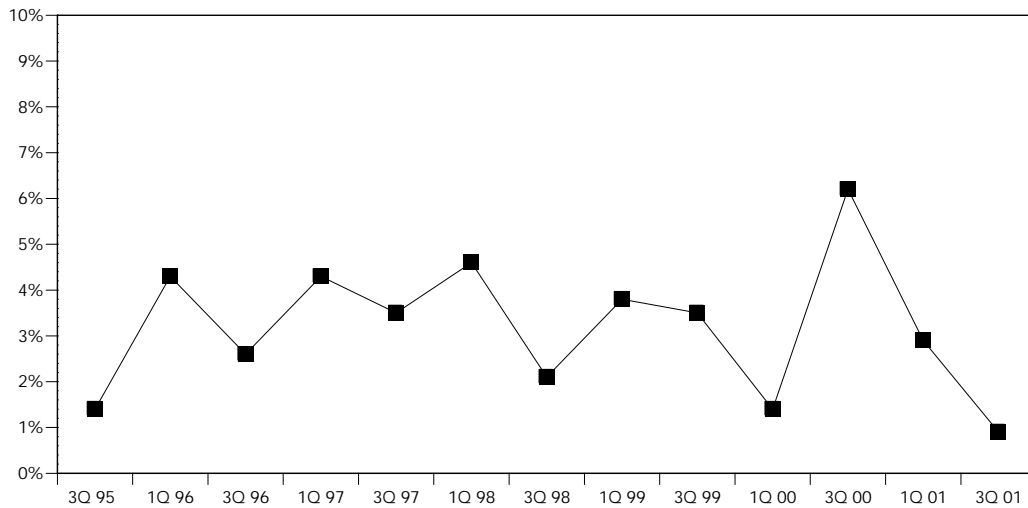


Note: The Census defines "other vacant" as units not falling into other categories: "For example, this category includes units held for occupancy by a caretaker, and units held for personal reasons of the owner."

Source: U.S. Census Bureau, Census 2000.

When we examine Colorado Division of Housing data regarding rental units, we find average vacancy rates in the City of Durango to be 3.2 percent from 3<sup>rd</sup> quarter 1995 to 3<sup>rd</sup> quarter 2001. As Exhibit III-10 shows, there appeared to be a spike in vacancy rates for rentals during 3<sup>rd</sup> quarter 2000. Overall, Durango vacancy rates for rental units are low compared to the State of Colorado's average of 8.3 percent. Data on rental vacancy rates for areas outside of Durango are not available.

**Exhibit III-10.**  
**Vacancy Rates for Rentals, City of Durango**



Source: Colorado Division of Housing.

**Moving and migration.** As reported in Section II, 27 percent of survey respondents living in La Plata County reported that they want to move. However, only 18 percent actually have plans to do so. Of those that plan to move, the most common reason related to the cost of housing and incomes. For example, one respondent wrote, “We are contemplating moving to Texas because earnings/cost of living are so badly out of proportion.” Several people reported needing to move for a new job or, in the case of students, to attend graduate school. Responses were evenly split between people who wanted to move closer to Durango to access more services and people who wanted to move further away from urban environments. For example, “Work, school and children’s events will be closer. I’m tired of putting miles on the car, spending time driving, and polluting the environment.” On the other hand, another respondent said they were moving “to get a large home in the country.”

Only 53 survey respondents gave an indication of where they planned to move. Of those that responded, about half wanted to move out of Colorado to other locations in the West such as Montana, Idaho, Utah and New Mexico. One respondent said, “Idaho, because of restrictive government regulations and property rights concerns.” Approximately one-third of respondents planned to stay in La Plata County. The remainder of respondents planned to stay in Colorado, but leave La Plata County for reasons such as recreation, amenities and jobs.

**Ownership status.** As described in Section II, 68 percent of the county’s housing stock is owner occupied and 32 percent is renter occupied. A greater proportion of the units in Durango, 48 percent, are occupied by renters. Several interviewees for this study commented on this recently released 2000 Census figure and were surprised that nearly half of Durango’s properties were rentals. However, others were not surprised — there is a clear perception that many homes are purchased and turned into rentals due to the high rents that can be obtained in the area. This further contributes to the scarcity of affordable homes for purchase.

Exhibit III-11 provides details about the number of owner and renter occupied units by area. The 2,842 owner units in Durango make up 24 percent of all owned units in the county, while the 2,650 rental units in the city are 48 percent of all rental units.

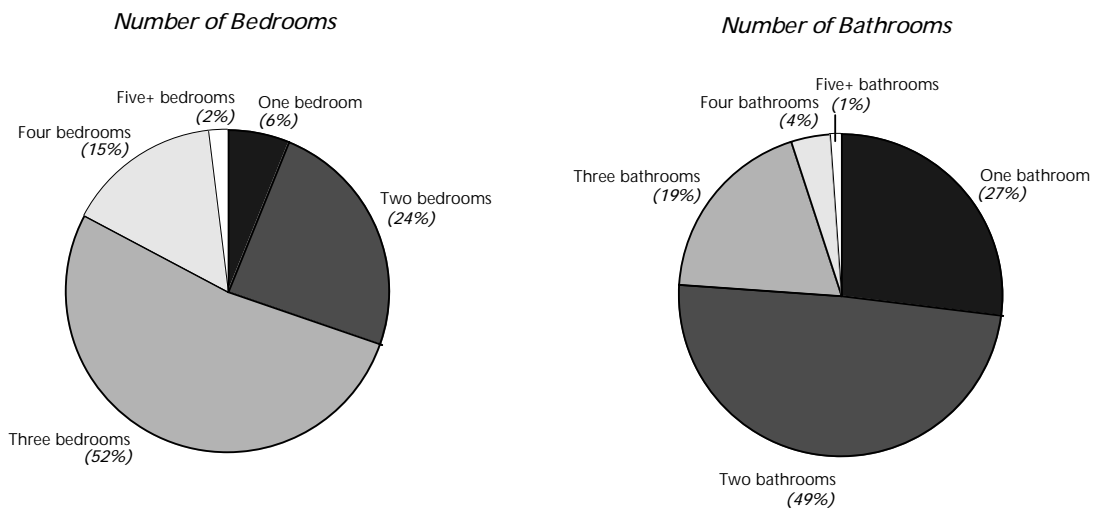
**Exhibit III-11.**  
**Owner and Renter Occupied Units, 2000**

	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in County</i>	<i>La Plata County Total</i>
Owner occupied	2,842	438	162	8,425	11,867
Renter occupied	2,650	129	100	2,596	5,475
Vacant	<u>327</u>	<u>30</u>	<u>41</u>	<u>3,025</u>	<u>3,423</u>
Total	5,819	597	303	14,046	20,765

Source: U.S. Census Bureau, 2000.

**Size of housing units.** According to the resident survey results, slightly more than half of homes in the county contain three bedrooms. Just under half have two bathrooms. Exhibit III-12 summarizes the size of homes in terms of the number of bedrooms and bathrooms.

**Exhibit III-12.**  
**Size of Housing Units**



Note: Total may not add to 100 percent because of rounding.

Source: La Plata County Resident Survey, 2002.

According to the resident survey, there is some evidence to suggest that homes are smaller in Durango and larger in Bayfield, Ignacio and other parts of La Plata County. Nearly half of renter and owner households live in units with three bedrooms. However, a family that rents is more likely than a family that owns to live in a unit with only two bedrooms and less likely to live in a unit with more than four bedrooms. Less than 1 percent of survey respondents indicated that they live in a one-bedroom unit, so these respondents have been excluded from the following analyses of home size. See Exhibit III-13 on the following page.



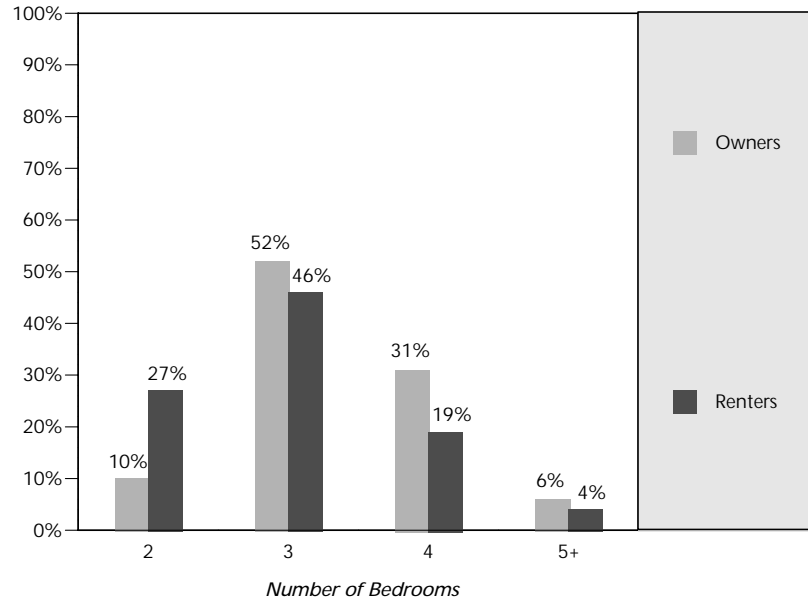
**Exhibit III-13.**  
**Size of Housing Unit for**  
**Owners and Renters**

Notes:

- (1) Insufficient number of responses from residents with one bedroom.
- (2) Graph should be read as follows: 10 percent of owners live in a home with two bedrooms.

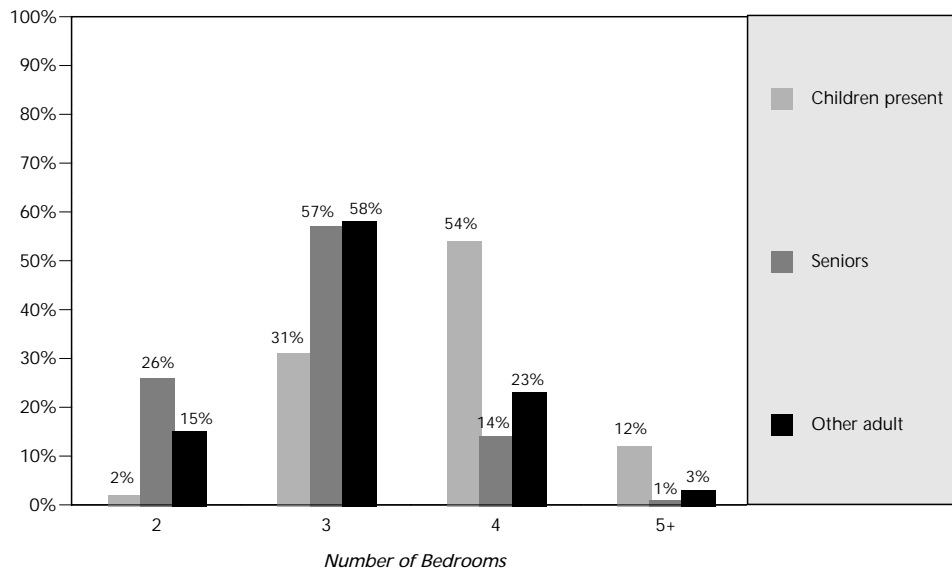
Source:

La Plata County Resident Survey, 2002.



In analyzing the results of the resident survey on the question of size of housing unit, households with children appear much more likely to live in larger homes. In fact, Exhibit III-14 shows that 54 percent of families with children live in homes with three or more bedrooms. In contrast, about three of every four senior households and households with adults live in units with two or three bedroom units.

**Exhibit III-14.**  
**Size of Housing Units by Household Type**



Notes: (1) Insufficient number of responses from residents with one bedroom.

(2) Table should be read as follows: 2 percent of households with children present live in homes with 2 bedrooms.

Source: La Plata County Resident Survey, 2002.

**New development.** During the course of this study, we learned of several planned housing developments in La Plata County. Most interviewees referred to Sky Ridge as the most notable development that had increased available single family housing in the Durango area.

- Located on College Mesa, Sky Ridge will eventually add nearly 400 additional units to Durango's single family and multifamily housing supply. Several lots within Sky Ridge have been purchased by affordable housing organizations in order to make them available to below median-income families. A number of interviewees referred to Sky Ridge as "the only game in town."
- Durango West 1 is a subdivision of manufactured and modular single family homes northwest of Durango.
- Southwest Horizons Ranch is a low income housing project on Florida Mesa.
- Hillcrest Apartments I and II have 242 units of market-rate rentals.
- Durango Mountain Resort is planning the construction of 1,600 housing units, and interviewees report that 1 in every 10 units will be designated for employee housing. This could relieve some of the housing demand for these service workers. This project is long term and planned to be implemented over several years.
- Bayfield has several developments under way and planned for the near future.

## **Housing Condition**

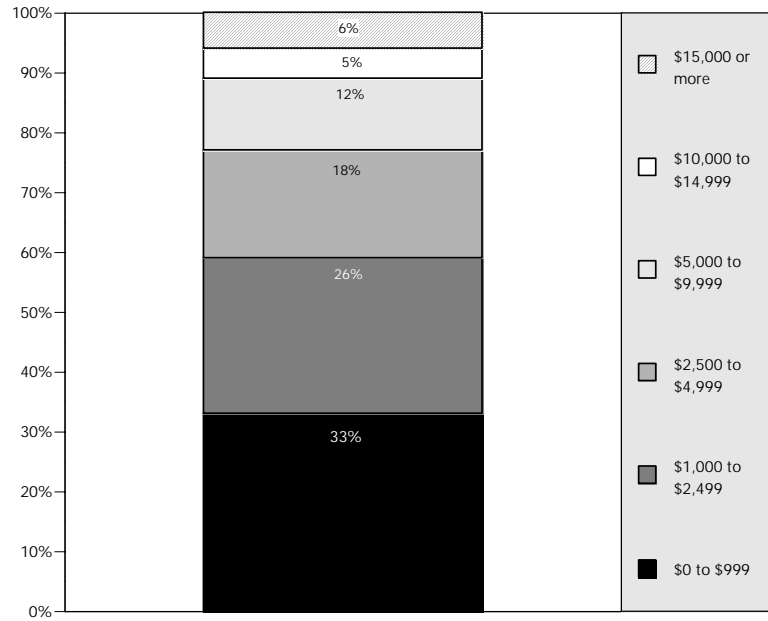
The City of Durango and La Plata County do not have formal inspections or inventories of substandard or illegal housing in the area. Therefore, our discussion of the condition of housing stock is based on the mail survey conducted with residents and qualitative feedback from interviewees. While the resident survey can provide some insight, we cannot be certain that respondents are representative of the county as a whole in terms of the condition of their housing units.

A total of 46 survey respondents (6 percent of total respondents) indicated that they were dissatisfied with their home because it was in poor condition. Poor condition was the third most common reason given for dissatisfaction, ranking behind "rent/mortgage is too expensive" and "too small."

**Owners.** Survey respondents who owned their place of residence were asked several questions about repairs they had completed and still needed. More than one in ten home owners reported spending more than \$10,000 on repairs over the last five years. Exhibit III-15 describes the range of spending by owners on repairs.

**Exhibit III-15.**  
**Cost of Repairs for Home**  
**Owners Over the Last Five**  
**Years**

Source:  
 La Plata County Resident Survey, 2002.



The most common repair completed by current owners in their housing unit was painting. Exhibit III-16 indicates that purchasing or repairing appliances, plumbing, roofing and windows/doors round out the top five in terms of repairs made.

**Exhibit III-16.**  
**Most Common Repairs**  
**Completed by Owners**

Note:  
 Percent of owners making repair  
 column does not add to 100 percent  
 because owners could select more than  
 one category.

Source:  
 La Plata County Resident Survey, 2002.

<i>Ranking</i>	<i>Repair Completed</i>	<i>Number of Owners Making Repair</i>	<i>Percent of Owners Making Repair</i>
1	Painting	299	51%
2	Appliances	249	43%
3	Plumbing	202	35%
4	Roofing	192	33%
5	Windows/Doors	184	31%
6	Heating	172	29%
7	Flooring	135	23%
8	Electric	121	21%
9	Insulation	98	17%
10	Siding	88	15%
11	Foundation	53	9%
12	Accessibility	41	7%
13	Other	32	5%

One-third of homeowners indicated that they needed repairs that they could not afford. Forty-five percent of owner respondents living in Bayfield reported that they needed repairs they could not afford, a much higher percentage than for the entire county. Furthermore, almost 60 percent of mobile home owners said they needed repairs they could not afford.

For each category of repairs, owners were more likely to have completed the repair than to indicate it still needed to be done. Nonetheless, 144 respondents (out of 585 responding homeowners) indicated they still needed painting done and 134 needed work on their windows/doors. Exhibit III-17 ranks the type of repairs still needed by owners.

**Exhibit III-17.  
Most Common Repairs  
Needed by Owners**

Note:  
Percent of owners needing repair  
column does not add to 100 percent  
because owners could select more than  
one option.

Source:  
La Plata County Resident Survey, 2002.

<i>Ranking</i>	<i>Repair Needed</i>	<i>Number of Owners Needing Repair</i>	<i>Percent of Owners Needing Repair</i>
1	Painting	144	25%
2	Windows/Doors	134	23%
3	Flooring	123	21%
4	Roofing	93	16%
5	Siding	89	15%
6	Electric	79	14%
7	Insulation	78	13%
8	Plumbing	77	13%
9	Heating	72	12%
10	Appliances	66	11%
11	Foundation	51	9%
12	Other	41	7%
13	Accessibility	33	6%

**Renters.** Renters were much more likely to express dissatisfaction because of poor condition than owners: 19 percent of renters indicated their units were in poor condition versus only 3 percent of owners. As Exhibit III-18 demonstrates, renters earning less than \$15,000 a year were slightly more likely to describe the condition of their unit as poor.

**Exhibit III-18.  
Dissatisfaction Due to  
Poor Condition of Unit**

Source:  
La Plata County Resident Survey.

<i>Category of Household</i>	<i>Percent Reporting Poor Condition</i>
All owners	3%
All renters	19%
Renters earning less than \$15,000/year	24%

To assess the condition of rental properties, survey respondents were asked if their landlord makes repairs promptly and they were asked to specify needed repairs. Seventy percent, or just over two-thirds, of respondents indicated that their landlord makes repairs promptly. Exhibit III-19 describes the types of repairs needed by the 128 survey respondents who are renters. Eighty percent of renters reported needing some repair. Many requests were for items such as painting that do not affect the structural integrity of the housing unit. However, the number of requests for repairs to items such as heating (27 requests or 21 percent of respondent renters) may indicate some problems with the condition of the rental housing stock.

**Exhibit III-19.  
Most Common Repairs  
Needed by Renters**

Note:

(1) Foundation and siding tie for tenth place.

(2) Percent of renters needing repair column does not add to 100 percent because renters could select more than one category.

Source:

La Plata County Resident Survey, 2002.

<i>Ranking</i>	<i>Repair Needed</i>	<i>Number of Renters Needing Repair</i>	<i>Percent of Renters Needing Repair</i>
1	Windows/Doors	51	40%
2	Painting	46	36%
3	Insulation	33	26%
4	Plumbing	31	24%
5	Appliances	30	23%
6	Heating	27	21%
7	Electric	24	19%
8	Other	22	17%
9	Roofing	19	15%
10	Siding	16	13%
10	Foundation	16	13%
11	Accessibility	7	5%

**Qualitative information.** BBC conducted a number of interviews with local experts on the La Plata County housing market. Most interviewees commented that the condition of owner occupied housing in La Plata County had improved with rising property values. People who can afford to purchase a home in Durango are generally believed to be able to afford maintenance and rehabilitation costs for the home.

Interviewees also suggested the condition of rentals has improved with the additional apartment units completed in the 1990s. With more availability, landlords of lower quality units have been forced to make necessary repairs in order to attract tenants. One person commented, “Quality is way better than it was; new apartments have been built so people can move up and out of the rat holes they were in. This forces landlords to either fix up the rat holes or quit renting them.” Interviewees agreed, however, that low cost rentals remain in the poorest condition of all local housing stock. Interviewees who work with extremely low income households noted that private rental properties were generally in poorer condition than properties managed by government or nonprofit agencies.

## Special Needs Housing

This study also examined the supply of housing for populations with special needs. Specifically, we discuss the housing situation of seniors, the disabled, people with disabilities and the homeless.

**Seniors.** As was reported in Section II, La Plata County is experiencing a rapidly increasing senior population. Along with the general aging of the Baby Boomers, the area has attracted a large number of retirees in recent years. Seniors can have difficulty finding affordable, appropriate housing in a number of situations, such as if they experience a health problem or when a spouse dies and their income declines. There are a number of housing alternatives specifically for seniors in the Durango area including the following.

- Tamarin Square is a 68-unit facility specifically for individuals age 62 and over, or the disabled. Household income level must be less than \$17,300 for a single person; or \$19,750 for a couple. The property accepts Section 8 vouchers and there is a waiting list.
- Heritage Village Apartments offers 24 one-bedroom apartments for elderly and disabled at 60 percent or less of area median income.
- Pine River Valley Manor in Bayfield assists low income elderly and disabled residents. They currently have 16 units.
- Brookstone is a new condominium property that will allocate 80 percent or more of the project to individuals 55 years or older. There are currently 10 units built and 15 additional units to be built in spring of 2002. The first ten units sold at prices between \$178,000 to \$227,000. The next fifteen units are priced between \$200,000 and \$340,000.
- There was some anecdotal evidence regarding a limited need for assisted living; however, services are provided to seniors in their homes by San Juan Basin Health, a home health agency. There is also a skilled nursing facility in Durango, housing approximately 140 residents. They serve all incomes and have no age restriction, but evaluate each resident, or potential resident, on a case-by-case basis.
- In the future, there are plans for a 29-unit senior property by a private developer, as well as a 59-unit property developed by Mercy Housing in which a majority of units will be devoted to seniors. This should significantly decrease the unmet need for senior independent living units.

In addition, organizations such as La Plata County Senior Services provide assistance with home modifications that allow seniors to remain in their own homes longer.

In general, there appears to be a limited need for additional quality, affordable independent rental housing for seniors, much of which should be eased by new planned developments. The need for senior housing should be monitored carefully as the La Plata County population continues to age.

**People with disabilities.** A number of facilities in the Durango area specifically serve low income individuals with disabilities.

- Tamarin Square is a centrally-located 68-unit facility in Durango, specifically for seniors and the disabled. There are income guidelines and there is a waiting list at the property.
- Heritage Village Apartments offers 24 one-bedroom apartments for elderly and disabled individuals who are at 60 percent or less of area median income.
- In conjunction with Mercy Housing, Southwest Mental Health is planning to break ground on a 59-unit property at Goeglein Gulch. About 15 of the units will serve people with disabilities.

In general, experts often recommend that housing for disabled individuals be integrated throughout a community, rather than segregated in separate properties. Accessibility modifications can often allow a disabled individual to live in a typical home, which negates the need for special group housing.

**Homeless.** There are several organizations in the Durango area that serve the needs of the homeless in support services, temporary shelter, transitional housing, and home ownership opportunities. Interviewees believe that these organizations and others are serving the majority of need for the homeless.

- The Volunteers of America operates the Durango Community Shelter, which provides emergency and transitional services to assist the homeless in obtaining independence and self sufficiency. The shelter serves children, women and men. VOA also operates a battered women's shelter, and combined, the two facilities serve an average of 40 people per night. Most clients at the homeless shelter are not chronically homeless; rather, they tend to be "people trying to make it; most are working."
- Southwest Community Resources recently built a LIHTC property called Southwest Horizon Ranch, a 61-unit low income housing development with two and three bedroom single family homes. Rent is dependent on home size and family income. Twenty percent of residents must be homeless or formerly homeless.
- Homeward Bound is a 7-unit apartment complex for homeless families operated by Southwest Community Resources. Families pay 30 percent of their gross family income toward rent, and receive counseling in budgeting, nutrition, parenting and other needs.
- The Homeless Prevention Loan Program makes interest-free loans to make rent, mortgage or utility payments. This program is also run by Southwest Community Resources.

## Conclusion

In considering the supply of housing in La Plata County, this section has looked at the number and type of housing units and housing condition. Important findings are as follows.

- There are almost 21,000 housing units in La Plata County, 35 percent more than were in existence ten years ago. There are 11,867 owner occupied units and 5,475 renter occupied units.
- About two-thirds of units are single family detached homes and most are located in the unincorporated parts of the county. Twenty-four percent of owner occupied units and 48 percent of renter occupied units are in Durango.
- The home ownership rate is 68 percent and owners are much more likely to live in single family homes than renters (75 percent versus 33 percent).
- As income increases, households are more likely to occupy single family homes and less likely to occupy mobile homes and manufactured homes on permanent foundations.
- Fifty-four percent of families with children live in homes with three or more bedrooms. In contrast, about three of every four senior households and households with adults live in units with two or three bedrooms.
- Most interviewees referred to Sky Ridge as the most notable development that had increased available single family housing in the Durango area. Located on College Mesa, Sky Ridge will eventually add nearly 400 additional units to Durango's single family and multifamily housing supply. Several lots within Sky Ridge have been purchased by affordable housing organizations in order to make them available to below median income families.
- Poor condition was the third most common reason given by resident survey respondents for dissatisfaction with current housing, ranking behind "rent/mortgage is too expensive" and "too small."
- One-third of owners in the survey indicated that they needed home repairs they could not afford.
- Renters were much more likely to express dissatisfaction because of poor condition than owners: 19 percent of renters indicated their units were in poor condition versus only 3 percent of owners. Low income renters or those earning less than \$15,000 a year were slightly more likely to describe the condition of their unit as poor.
- Interviews lead to the conclusion that the quality of the housing stock in La Plata County has improved in recent years, but there may still be problems with rental units priced at the lower end of the spectrum.
- The supply of housing or shelter for seniors, the disabled and the homeless appears to be adequate, though demand for senior housing should be carefully watched given the increase in the senior citizen population and more emphasis could be placed on integrated housing for people with disabilities.

The next section, Section IV, will describe the demand for housing by analyzing the characteristics and preferences of owners and renters in La Plata County.



## SECTION IV.

### Housing Demand

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# SECTION IV.

## Housing Demand

Having considered the demographic and economic characteristics of La Plata County and discussed the supply of housing, we now turn to an exploration of housing demand. In this section of the report, we describe in detail the households residing in La Plata County and their housing preferences. The demand discussion presented below is divided into two parts, one covering owners and one covering renters. The type of information presented for both groups is summarized below:

<i>Characteristics of Owners and Renters</i>	<i>Preferences of Owners and Renters</i>
Number of households	Type of home — preferred and preferred vs. actual
Income	Location of home — preferred vs. actual
Household type	Size of home — preferred and preferred vs. actual
Household size	Costs
Employment	
Commuting patterns	
Plans to move	

As is the case throughout this report, the two main sources of data used in this section are the 2000 U.S. Census and the mail survey conducted with La Plata County residents. Because of its structure, the mail survey allowed the study team to conduct a more detailed analysis of characteristics and preferences for owners as a separate group from renters. A total of over 700 surveys were returned, 588 from owner households and 128 from renter households. While the survey had a high rate of return, caution must still be used in interpreting certain results.

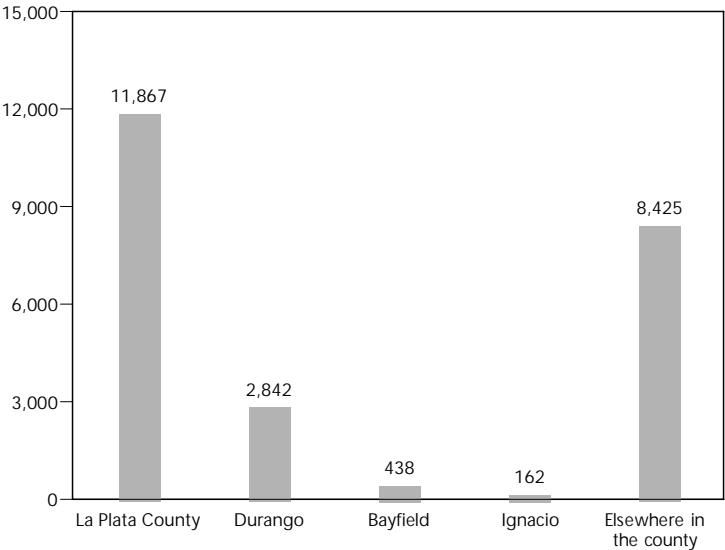
The reason for the caution is that despite a high number of total responses, the number of responses in particular categories is low. For example, there is only one renter who responded to the survey that prefers to live in a mobile home. Only nine of the 588 respondent home owners want to live in a mobile home. There are four types of results most likely to be affected by a low number of responses: (1) results for households in Bayfield and Ignacio; (2) results for non-single family types of homes; (3) results for renter households; and (4) results that compare current and preferred living conditions.

### Characteristics of Owner Households

Owners represent just over two-thirds of households in La Plata County, so the characteristics of the owner population tend to closely mirror the characteristics of the overall population in the county. Some of the information that follows was presented in detail in Section II and references are made where appropriate.

**Number of households.** According to the U.S. Census, there are 17,342 households in La Plata County, of which 11,867 (68 percent) are owner households. Exhibit IV-1 describes the number and distribution of owner households throughout the county. Seventy-one percent of households are located in unincorporated portions of the county.

**Exhibit IV-1.**  
**Owner Households in La Plata County**



Source: U.S. Census Bureau, 2000.

It is important to note that the Census describes 17,342 households in the county but 20,765 housing units. The discrepancy of about 3,500 is attributable to vacant housing units, 72 percent of which are for seasonal use and thus also probably “owner occupied.”

**Income.** About one of every four owner households earns between \$50,000 and \$75,000 a year. Twenty-one percent of owner households have less than \$25,000 in income each year. At least some of these lower income owner households are likely to contain senior citizens whose income is not necessarily reflective of their socioeconomic status. See Exhibit IV-2 for details about owner households by income.

**Exhibit IV-2.**  
**Income Distribution of Owners in La Plata County**

Note:  
Same information presented in Exhibit II-22.

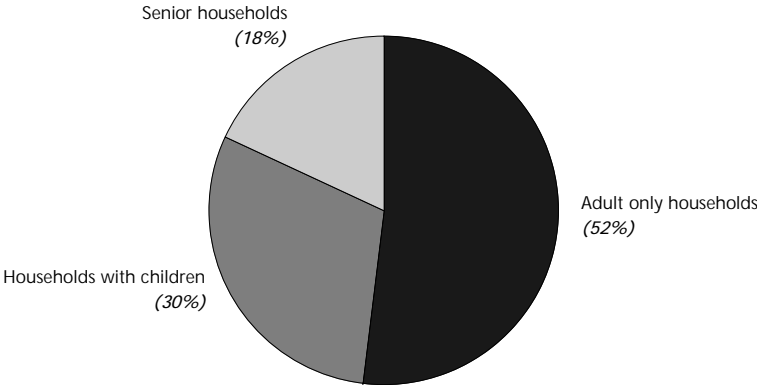
Source:  
U.S. Census Bureau, 2000.

Income Range	Percent of Owner Households	Number of Owner Households
Under \$10,000	5%	623
\$10,000-14,999	4%	505
\$15,000-24,999	12%	1,400
\$25,000-34,999	11%	1,352
\$35,000-49,999	17%	2,064
\$50,000-74,999	23%	2,772
\$75,000-99,999	12%	1,470
\$100,000-149,999	8%	953
\$150,000 +	6%	718

**Household type.** According to the La Plata County Resident Survey, just over half of owner households contain only working-age adults — meaning these households contain no children and no one over the age of 65. Eighteen percent of owner households are occupied by seniors and 30 percent are occupied by a combination of adults and children, as shown in Exhibit IV-3.

**Exhibit IV-3.**  
**Type of Household, Owners**

Source:  
La Plata County Resident Survey.



**Household size.** As described in Section II, the average household size for owners in La Plata County is 2.5. Exhibit IV-4 shows that owners living in Bayfield tend to have the largest households and that those living in Durango tend to have the smallest.

**Exhibit IV-4.**  
**Owners' Average Household Size**

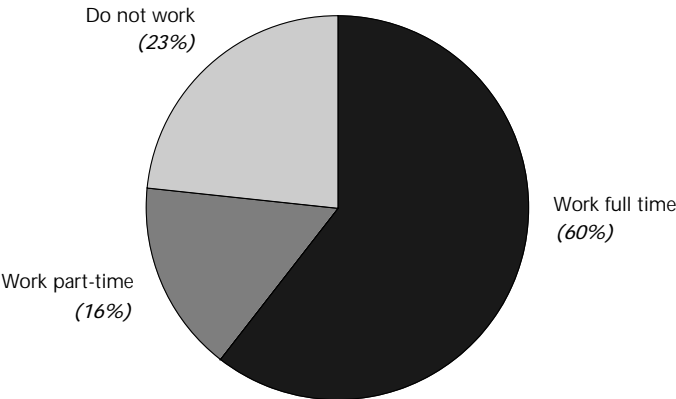
<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
2.5	2.4	2.8	2.6

Source: U.S. Census Bureau, 2000.

**Employment.** Sixty percent of adults living in owner households work full time, according to the resident survey. Exhibit IV-5 summarizes the results of the survey in terms of employment for home owners.

**Exhibit IV-5.**  
**Owners' Employment Status (Adults)**

Source:  
La Plata County Resident Survey.



Of owner households in Durango, 81 percent of the heads of households reported also working in Durango. More than half of Ignacio heads of households work in Ignacio and just about one-third of Bayfield heads of household work in their home town. Residents of areas outside of Durango who do not work in their home towns most often commute to Durango. Exhibit IV-6 compares where heads of households in owner households live and where they work.

**Exhibit IV-6.**  
**Owners' Place of Residence and Work**

<i>Work</i>	<i>Residence</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in La Plata County</i>
Durango	81%	46%	20%	46%
Bayfield	1%	31%	4%	8%
Ignacio	2%	2%	62%	3%
Elsewhere in La Plata County	4%	3%	4%	18%
Other	<u>12%</u>	<u>18%</u>	<u>9%</u>	<u>25%</u>
Total	100%	100%	100%	100%

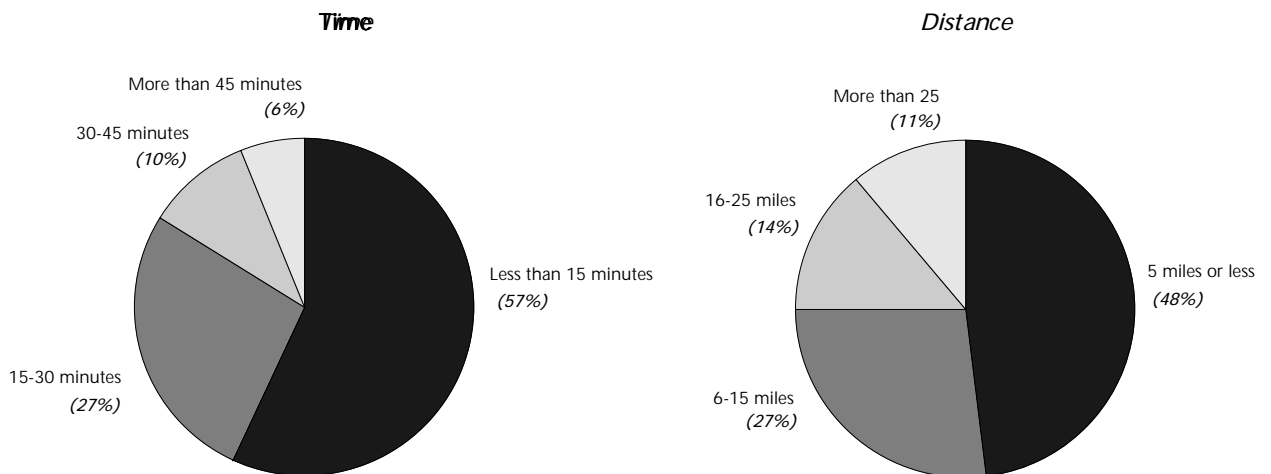
Notes: 1) Table should be read as follows: 81 percent of people living in Durango (residence) also work in Durango. Only 2 percent of people living in Durango work in Ignacio.

2) Same information presented in Exhibit II-32.

Source: La Plata County Resident Survey.

**Commuting patterns.** In terms of commuting time and distance, the results for owners are very similar to those reported for all survey respondents in Section II. (See Exhibit II-34.) Over half of owners have a commute of less than 15 minutes and just under half have a commute of five miles or less. Exhibit IV-7 provides more details.

**Exhibit IV-7.**  
**Owners' Commuting Patterns**



Source: La Plata County Resident Survey.

**Satisfaction and plans to move.** Overall, residents who are currently in the home ownership market are satisfied with their homes. Exhibit IV-8 shows that 91 percent of survey respondents who owned a home in the county were satisfied or very satisfied.

**Exhibit IV-8.**  
**Owners' Satisfaction with Current Home**

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
Very satisfied	50%	53%	50%	33%
Satisfied	41%	40%	37%	56%
Dissatisfied	7%	6%	9%	9%
Very Dissatisfied	2%	1%	4%	2%

Source: La Plata County Resident Survey.

As part of the mail survey of county residents, respondents also were asked if they wanted to move and if they planned to move. Twenty percent of owners reported that they wanted to move, though only 13 percent actually planned to do so. Reasons for wanting to move were highly individualized; however, a few patterns emerge. About one in every three owners wanting to move indicated a desire for more space — either a larger home, larger yard or more storage. Slightly less than 25 percent of owners wanted a different location — either farther out in the country or closer to services, work or school.

### Preferences of Owners

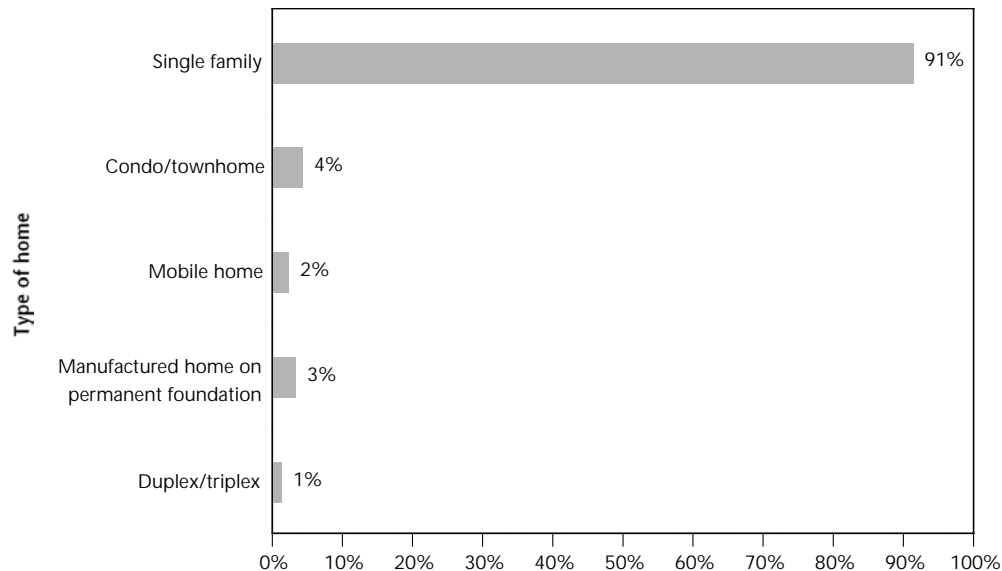
For the most part, owners appear to be satisfied with their current housing situation. Single family homes are clearly the most popular type of housing among owners. Just under half of owners prefer to live in the City of Durango and most want a three or four bedroom home.

**Owning versus renting.** Of the nearly 600 owners who responded to the mail survey, only two indicated that they would prefer to rent. In other words, 99.7 percent of owners prefer their situation to renting.

As part of the mail survey, respondents were asked a series of trade-off questions designed to closely mirror the real-life housing choices that people must make. Owning a home appears to be the most important factor for La Plata County residents who already own their home: 92 percent said they would rather own a home than live close to work and 64 percent said they would rather own a home than live in their preferred location.

**Type of home.** Nine out of ten owners prefer to live in a single family home, as demonstrated by Exhibit IV-9.

**Exhibit IV-9.**  
**Owners Preferred Housing Type**



Source: La Plata County Resident Survey.

According to the mail survey, owners' desire to live in a single family home is generally consistent among different parts of the county, household size, household type and income. A few variations include:

- Residents of Ignacio are somewhat less likely to prefer a single family home and somewhat more likely to prefer a manufactured home than are other residents of the county;
- The desire for a single family home appears to increase as household size increases; and
- Senior households (households containing adults over the age of 65) are slightly less likely to prefer single family homes.

Survey results also allow for a comparison of the type of housing in which people currently live with the type of housing in which they want to live. Exhibit IV-10, on the following page, indicates that the majority of households living in condos/townhomes, mobile homes and manufactured homes would prefer to live in a single family detached unit.

**Exhibit IV-10.**  
**Comparison of Owners' Current and Ideal Type of Home**

<i>Current Type of Housing</i>	<i>Ideal Type of Home</i>				
	<i>Single family</i>	<i>Condo/ Townhouse</i>	<i>Mobile home</i>	<i>Manufactured home on permanent foundation</i>	<i>Other</i>
Single-family	<b>97%</b>	2%	-	-	1%
Condo/ Townhouse	5%	<b>35%</b>	-	-	7%
Mobile home	73%	4%	<b>10%</b>	10%	3%
Manufactured home on permanent foundation	79%	-	2%	<b>16%</b>	3%

Notes: 1) Other includes duplex/ triplex and apartments.

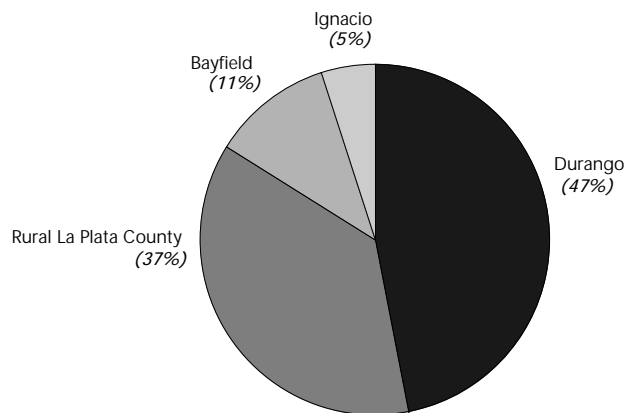
2) Table should be read as follows: 97 percent of households currently living in single family homes indicate that single family homes are their ideal type of housing.

Source: La Plata County Resident Survey.

**Location of home.** Almost half of survey respondents who own their home indicated that their preferred housing location was in Durango and one of every three said they would prefer to live in rural La Plata County. See Exhibit IV-11 for details.

**Exhibit IV-11.**  
**Owners' Preferred House Location**

Source:  
La Plata County Resident Survey.



Again, patterns among owners in terms of where they prefer to live are consistent for households of different sizes and incomes. Households with children were somewhat more likely to prefer living in Ignacio or Bayfield and less likely to prefer living in rural La Plata County relative to households where there are no children present.

Living in their desired location was important to survey respondents: 86 percent indicated they would rather live in their desired location than have a larger home and 69 percent said they would rather live in their desired location than reduce their housing costs.

In comparing where people actually live and where they would prefer to live, it appears that most survey respondents are living in their preferred community. Exhibit IV-12 shows that 82 percent of people living in Durango prefer to live there and 82 percent of people living in rural La Plata County prefer to live there. However, almost half of the households currently living in Ignacio express a preference for rural La Plata County.



**Exhibit IV-12.**  
**Comparison of Owners' Current and Ideal Residence Location**

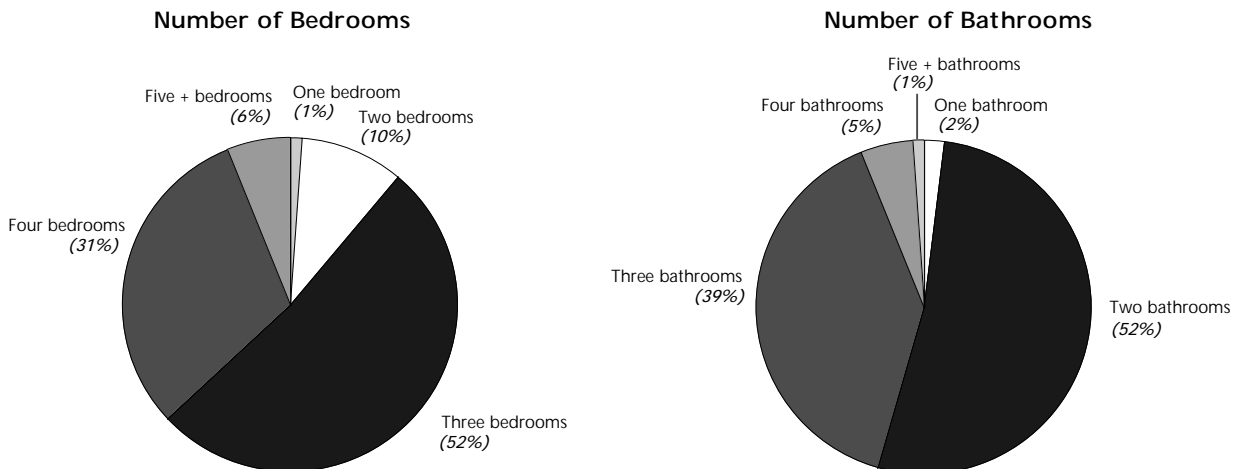
Current Residence Location	Ideal Residence Location			
	Durango	Bayfield	Ignacio	Rural La Plata County
Durango	<b>82%</b>	10%	6%	17%
Bayfield	1%	<b>61%</b>	-	1%
Ignacio	1%	-	<b>45%</b>	-
Rural La Plata County	17%	28%	44%	<b>82%</b>

Note: Table should be read as follows: 82 percent of households living in Durango indicate that Durango is their ideal residence location within the county.

Source: La Plata County Resident Survey.

**Size of home.** When asked about their preferences in terms of the number of bedrooms and bathrooms in a home, La Plata County homeowners were most likely to pick a home with three bedrooms and two bathrooms as shown in Exhibit IV-13.

**Exhibit IV-13.**  
**Owners' Preferred Home Size**



Source: La Plata County Resident Survey.

Survey results indicate that owners' preferred size of home appears to be somewhat related to household size, household type and income.

- As household size increases so does the desire for more bedrooms and bathrooms. However, most people continue to prefer a home with at least three bedrooms: among households containing two people, 88 percent prefer a home with three bedrooms or more.
- Household type appears to be closely related to size preferences. Sixty-nine percent of households containing children prefer a home with at least four bedrooms. In contrast, 83 percent of senior households and 73 percent of other adult households prefer a home with one to three bedrooms.

- According to the survey, there may be a slight relationship between income and home size preferences with higher income households somewhat more likely to prefer larger homes and lower income households somewhat more likely to prefer smaller homes.

Having more bedrooms was more important to survey respondents than having more bathrooms: 66 percent said they would rather have one more bedroom than have one more bathroom. Respondents also indicated a preference for new homes, with two-thirds saying they would prefer a new home over an old home.

When we compare the current and ideal home sizes of owners who responded to the survey, it becomes clear that owners living in smaller homes (one or two bedroom) would prefer to live in a larger home. Exhibit IV-14 also shows that just over half of owners living in three and four bedroom homes believe that is the ideal home size. Unsatisfied owners of three bedroom homes are likely to want a larger home, while unsatisfied owners of four bedroom homes are just as likely to want a smaller home as a larger home.

**Exhibit IV-14.**  
**Comparison of Owners' Current and Ideal Home Size (Number of Bedrooms)**

<i>Current Number of Bedrooms</i>	<i>Ideal Number of Bedrooms</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5+</i>
1	<b>11%</b>	44%	44%	-	-
2	-	<b>24%</b>	72%	5%	-
3	-	6%	<b>56%</b>	34%	3%
4	1%	2%	21%	<b>56%</b>	19%
5+	-	-	27%	45%	<b>27%</b>

Note: Table should be read as follows: 11 percent of households with one bedroom indicate that their ideal home would have one bedroom.

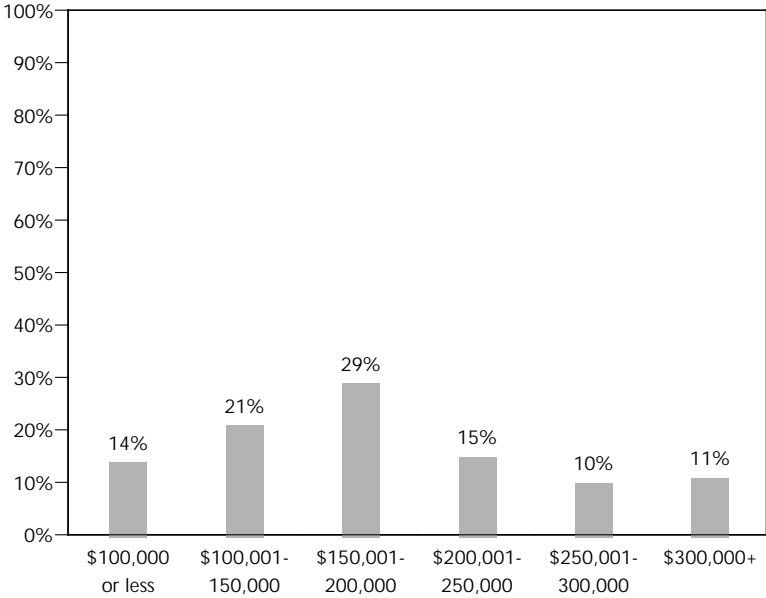
Source: La Plata County Resident Survey.

**Costs.** In terms of preferences, 69 percent of owners said they would rather live in their desired location than reduce the cost of their mortgage. However, two-thirds of respondents would rather reduce their mortgage than have a larger home or live close to where they work.

After describing their ideal home, owners who responded to the survey were also asked to indicate a fair and reasonable purchase price for that home. Exhibit IV-15 summarizes responses, which are analyzed by type of unit, location and unit size below. Fourteen percent of owner respondents believe a fair price is \$100,000 or less and another 21 percent believe a fair price is between \$100,000 and \$150,000. Thus, 35 percent of all respondents believe they should be able to buy a home for less than \$150,000 (\$33,000 below the median home sales price in 2001.)

**Exhibit IV-15.**  
**Fair Purchase Price for**  
**Owners' Ideal Home**

Source:  
La Plata County Resident Survey.



La Plata County survey respondents who currently own a home are willing to pay more for single family homes than for condo/townhouses or mobile homes. However, one-third of respondents whose ideal home is a single family unit want to pay less than \$150,000 as indicated by Exhibit IV-16.

**Exhibit IV-16.**  
**Fair Purchase Price for Owners' Ideal Home by Type of Home**

Fair Purchase Price	Type of Home		
	Single family	Condo/ townhouse	Mobile home
\$100,000 or less	12%	14%	86%
\$100,001-150,000	21%	27%	14%
\$150,001-200,000	29%	23%	-
\$200,001-250,000	16%	32%	-
\$250,001-300,000	11%	-	-
\$300,000+	12%	5%	-

Note: Table should read as follows: 12 percent of survey respondents whose ideal home is a single family unit believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey

People who want to live in Durango or rural La Plata County closely mirror the overall county trends in terms of their willingness to pay for homes. On the other hand, residents of Bayfield and Ignacio are much more likely to want to pay less than \$100,000 for a home. As demonstrated by Exhibit IV-17, 23 percent of respondents who want to live in Bayfield and 40 percent of respondents who want to live in Ignacio believe that \$100,000 or less is a fair and reasonable price to pay for their ideal home.

**Exhibit IV-17.**  
**Fair Purchase Price for Owners' Ideal Home by Location**

<i>Fair Purchase Price</i>	<i>Ideal Location of Home</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in La Plata County</i>
\$100,000 or less	10%	23%	40%	12%
\$100,001-150,000	22%	21%	20%	21%
\$150,001-200,000	29%	25%	35%	31%
\$200,001-250,000	17%	23%	-	15%
\$250,001-300,000	13%	-	-	8%
\$300,000+	9%	8%	5%	13%

Note: Table should be read as follows: 10 percent of residents whose ideal home is in Durango believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey.

Survey results indicate that La Plata County residents are willing to pay more for larger homes. It is important to note, however, that 36 percent of respondents who want a three bedroom home and 31 percent who want a four bedroom home believe that they should pay less than \$150,000 (\$33,000 below the median home sales price in 2001.) See Exhibit IV-18.

**Exhibit IV-18.**  
**Fair Purchase Price for Owners' Ideal Home by Size**

<i>Fair Purchase Price</i>	<i>Ideal Number of Bedrooms</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5+</i>
\$100,000 or less	50%	21%	13%	12%	12%
\$100,001-150,000	50%	28%	23%	19%	8%
\$150,001-200,000	-	39%	34%	24%	12%
\$200,001-250,000	-	3%	15%	22%	15%
\$250,001-300,000	-	10%	8%	8%	19%
\$300,000+	-	-	7%	15%	35%

Note: Table should be read as follows: 50 percent of respondents whose ideal home has one bedroom believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey.

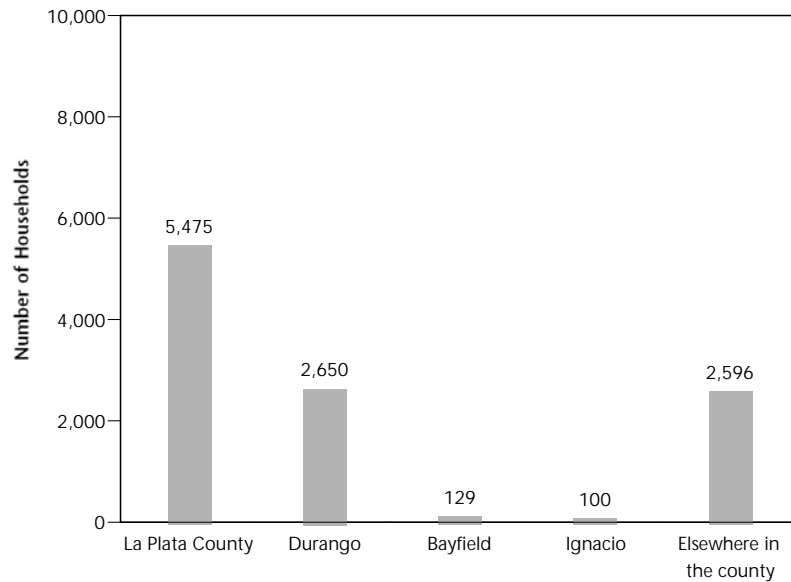
## Characteristics of Renters

Relative to owners and to the overall county population, renters are more likely to live in Durango and to earn less than the median income. Some of the information that follows was presented in Section II and references are made where appropriate.

**Number of households.** There are 5,655 renter households in La Plata County. Renter households are geographically distributed differently than owner households, as they are much more likely to be in Durango. Forty-seven percent of renter households are in unincorporated parts of the county and another 47 percent are in Durango. See Exhibit IV-19.

**Exhibit IV-19.**  
**Renter Households in La Plata County**

Source:  
U.S. Census Bureau, 2000.



**Income.** Twenty-eight percent of renter households in La Plata County earn less than \$15,000 a year, which is approximately 30 percent of median household income. Exhibit IV-20 shows that another 22 percent of renters earn between \$15,000 and \$25,000 a year and a third earn between \$25,000 and \$50,000 a year.

**Exhibit IV-20.**  
**Income Distribution of Renters**

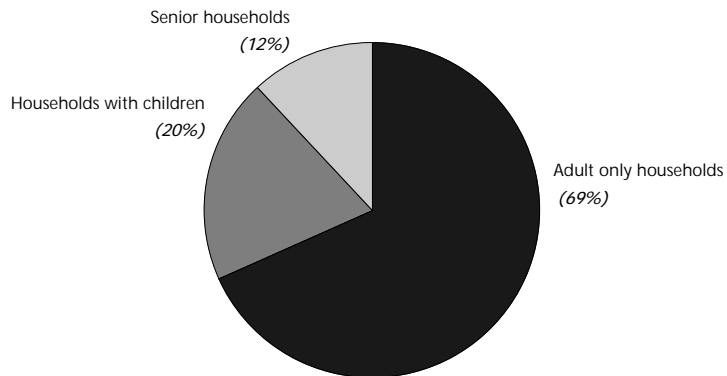
Source:  
U.S. Census Bureau, 2000.

Income Range	Percent of Renter Households	Number of Renter Households
Under \$10,000	16%	879
\$10,000-14,999	12%	638
\$15,000-24,999	22%	1,186
\$25,000-34,999	18%	963
\$35,000-49,999	14%	757
\$50,000-74,999	11%	603
\$75,000-99,999	5%	284
\$100,000-149,999	2%	114
\$150,000 +	1%	61

**Household type.** Looking at mail survey results, we learn that almost 70 percent of renter households are made up of working-age adults. Only 12 percent of renter households contain only adults over age 65 and only 20 percent are households with children, as shown in Exhibit IV-21. A comparison with owners as described previously in Exhibit IV-3, shows that renters are less likely to be seniors and to have children present.

**Exhibit IV-21.**  
**Types of Household,**  
**Renters**

Source:  
La Plata County Resident Survey.



**Household size.** Exhibit IV-22 indicates that renters have smaller households than owners and that renter households in Durango are likely to be the smallest.

**Exhibit IV-22.**  
**Renters' Average**  
**Household Size**

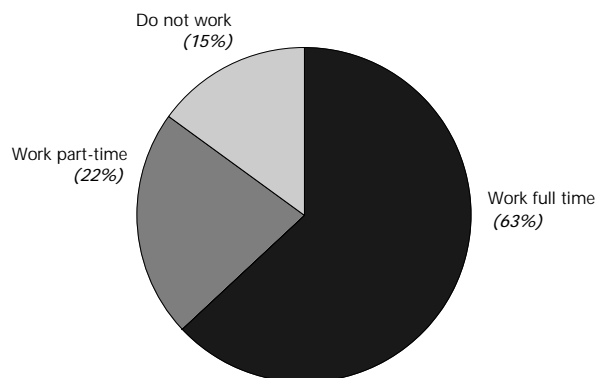
Source:  
U.S. Census Bureau, 2000

<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
2.2	2.1	2.4	2.4

**Employment.** Sixty-three percent of adults living in renter households work full time, according to the resident survey. Overall, adults in renter households are more likely to work than adults in owner households, perhaps because of the inclusion of senior households in the home owner population. (Eighteen percent of owner households are occupied by seniors versus 16 percent of renter households.) Exhibit IV-23 summarizes the results of the survey in terms of employment for renters.

**Exhibit IV-23.**  
**Renters' Employment**  
**Status (Adults)**

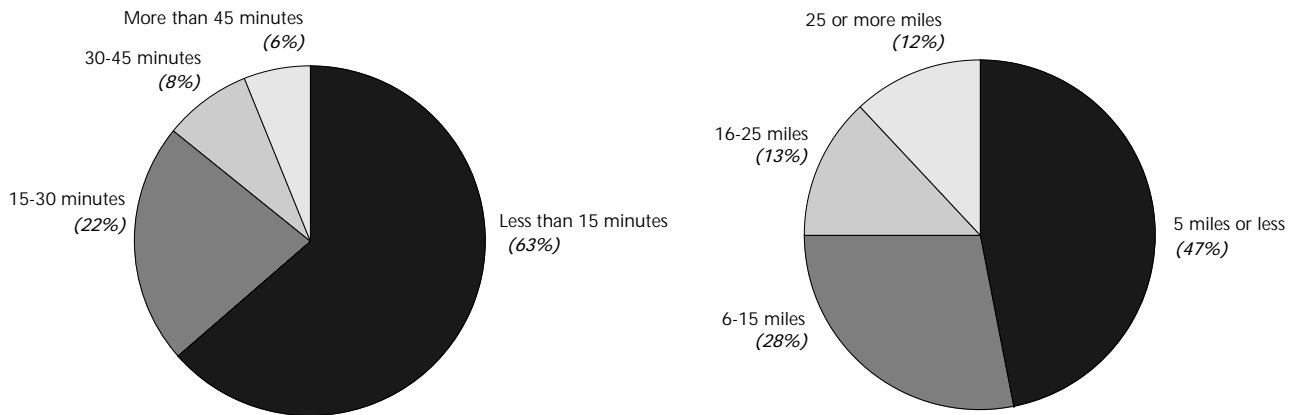
Source:  
La Plata County Resident Survey.



The resident survey did not provide a sufficient number of responses from renters to compare place of employment by place of residence.

**Commuting patterns.** In terms of commuting time and distance, the results for owners are very similar to those reported for all survey respondents in Section II — see Exhibit II-35. About 63 percent of renters have a commute of less than 15 minutes. Exhibit IV-24 provides more details.

**Exhibit IV-24.**  
**Renters' Commuting Patterns**



Source: La Plata County Resident Survey.

**Satisfaction and plans to move.** Renters tended to express less overall satisfaction with their current home than owners. Exhibit IV-25 demonstrates that 65 percent of renters are satisfied or very satisfied with their current housing, meaning that more than one-third are dissatisfied.

**Exhibit IV-25.**  
**Renters' Satisfaction with Current Home**

	<i>La Plata County</i>	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>
Very satisfied	13%	10%	29%	12%
Satisfied	52%	57%	29%	41%
Dissatisfied	28%	25%	43%	35%
Very Dissatisfied	8%	8%	– %	12%

Source: BBC Research & Consulting.

Respondents to the mail survey who rent their homes also were asked if they wanted to move and if they planned to move. Fifty-seven percent of renters wanted to move while 42 percent planned to do so (versus 20 and 13 percent respectively for owners.) Renters earning less than \$15,000 a year were somewhat less likely to express a desire to move when compared to all renters as only 41 percent said they want to move.

The desire to own a home instead of rent was the most prominent reason for wanting to move — about one in every four renters gave their reason for wanting to move as the desire to own a home. Better amenities, particularly larger homes or yards, were mentioned by 15 percent of renters who answered the question and lower costs were mentioned by 13 percent.

## Preferences of Renters

Renters prefer somewhat smaller and less expensive homes than owners. Renters differ from owners in terms of their satisfaction primarily because most would prefer to own their own home. Financial barriers are the most commonly cited barriers to home ownership.

**Owning versus renting.** A total of 128 renters responded to the mail survey. Almost nine out of ten, or 89 percent, said that they would prefer to own rather than rent. Barriers to owning are summarized in Exhibit IV-26, which clearly shows that financial barriers are the most significant. Seventy-three percent of renters said they could not buy a home because they did not have enough money for a down payment and 55 percent said there were no homes for sale in their price range.

### Exhibit IV-26.

#### Most Common Barriers to Ownership Among Current Renters

<i>Barrier</i>	<i>Number of Renters Citing Barrier</i>	<i>Percent of All Renters</i>
Not enough money for down payment	93	73%
No houses in my price range for sale	70	55%
Cannot afford monthly mortgage	59	46%
Cannot qualify for mortgage	51	40%
Uncertain future may leave area	35	27%
Unfamiliar with process/intimidated	32	25%
Desired housing type not available	13	10%
Desired housing location not available	12	9%

Note: Percent of renters citing barrier does not add to 100 percent because respondents could select more than one category.

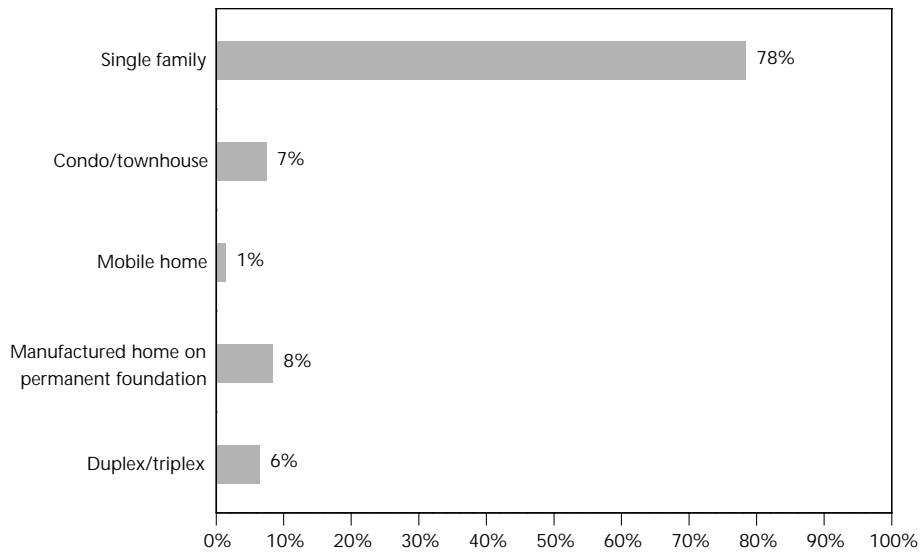
Source: La Plata County Resident Survey.

Similar to owners, renters appear to consistently value owning a home more than other attributes such as location or size. Seventy-seven percent of renters would rather own a home than live in their desired location and 84 percent would rather own a home than live near their work.

**Type of home.** Though the majority of renters prefer to live in a single family home, they are also somewhat more likely than owners to prefer another type of housing. Exhibit IV-27 describes all renters' preferences for housing of different types.



**Exhibit IV-27.**  
**Renters' Preferred Housing Type**



Source: La Plata County Resident Survey.

Eighty-four percent of current renters who earn more than \$15,000 a year prefer a single family home. Though single family homes are clearly the most popular type of desired housing, renters living in different parts of the county and living in different household types or sizes do exhibit some variation.

- Renters living in Durango are more likely than others to prefer a condominium or townhouse. Residents of Ignacio are much less likely than other county residents to prefer a single family home (only 53 percent) and much more likely to prefer a manufactured house on a permanent foundation (29 percent.)
- As household size increases among renters, so too does the desire for a single family home.
- Senior households (households containing adults over the age of 65) are somewhat less likely to prefer single family homes and more likely to prefer apartments.

Exhibit IV-28 shows that the vast majority, 95 percent, of renters currently living in single family homes prefer this type of housing. However, renters currently living in other types of housing are not typically as satisfied. Most of those living in other types of units would prefer to live in a single family home.

**Exhibit IV-28.**  
**Comparison of Renters' Current and Ideal Type of Housing**

<i>Current Type of Housing</i>	<i>Ideal Type of Housing</i>				
	<i>Single family</i>	<i>Condo/townhouse</i>	<i>Mobile home</i>	<i>Manufactured home on permanent foundation</i>	<i>Apartment</i>
Single family	<b>95%</b>	-	-	5%	-
Condo/townhouse	88%	<b>11%</b>	-	-	-
Mobile home	50%	6%	<b>6%</b>	25%	13%
Manufactured home on permanent foundation	75%	-	-	<b>25%</b>	-
Duplex/triplex	92%	-	-	8%	-
Apartment	60%	20%	-	3%	<b>17%</b>

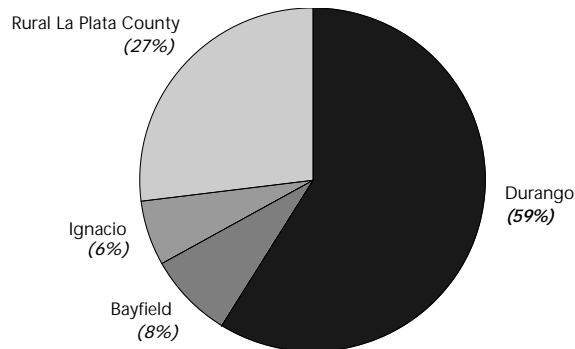
Note: Table should be read as follows: 95 percent of renters currently living in single family homes indicate that single family homes are their ideal type of housing.

Source: La Plata County Resident Survey.

**Location of home.** Over half of renters who responded to the survey said that their preferred housing location was in Durango, as shown by Exhibit IV-29.

**Exhibit IV-29.**  
**Renters' Preferred Housing Location**

Source:  
La Plata County Resident Survey.



Fifty-six percent of renters who earn more than \$15,000 a year prefer living in Durango and 29 percent prefer to live in rural La Plata County. Renters with larger families appear somewhat more likely to prefer living in parts of the county outside of the City of Durango. Also according to the survey, renters who have children prefer living in Bayfield and Ignacio at much higher rates than other types of households. Seventy-three percent of senior households that rent prefer living in Durango (compared to 59 percent of all renter households.)

Living in their desired location was less important to renters than owners responding to the survey. Sixty-five percent of renters indicated they would rather live in their desired location than have a larger home. However, more than half of renters would prefer to reduce the cost of their rent over living in a desired location, the opposite of the sentiment expressed by owners who value desired location over reduced costs.

In comparing where renters actually live and where they would prefer to live, residents of Durango and rural La Plata County appear to be the most satisfied. On the other hand, slightly less than half of renters living in Ignacio indicated that the town was their ideal location. See Exhibit IV-30.

**Exhibit IV-30.**  
**Comparison of Renters' Current and Ideal Residence Location**

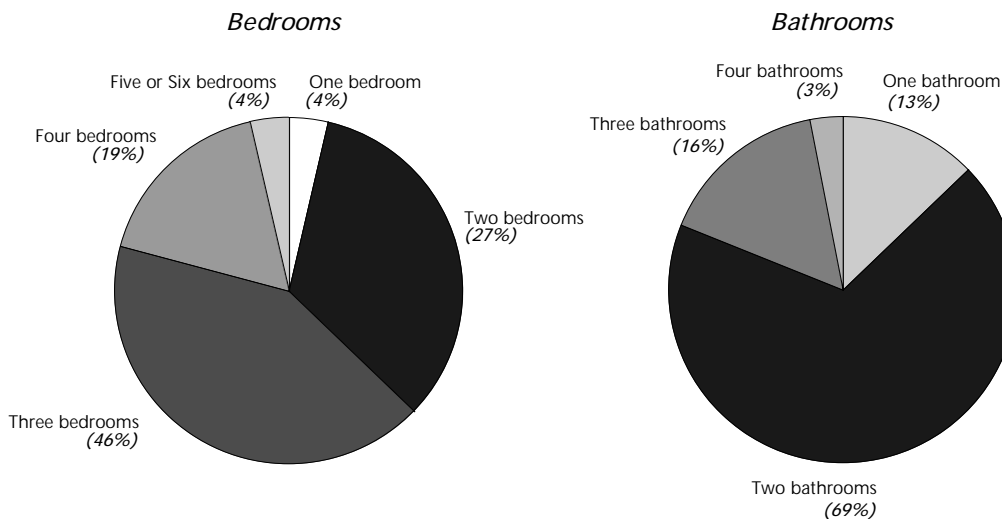
<i>Current Local Residence Location</i>	<i>Ideal Residence Location</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Rural La Plata County</i>
Durango	<b>79%</b>	1%	-	20%
Bayfield	10%	<b>60%</b>	-	30%
Ignacio	13%	13%	<b>47%</b>	27%
Rural La Plata County	-	-	-	<b>100%</b>

Note: Table should read as follows: 79 percent of households living in Durango indicate that Durango is their ideal residence location within the county.

Source: La Plata County Resident Survey.

**Size of home.** Forty-six percent of La Plata County renters who responded to the mail survey said their ideal home would have three bedrooms. A larger percentage of renters than owners said their ideal home would have two bedrooms, 27 and 10 percent respectively. Exhibit IV-31 describes ideal home size of renters in terms of number of bedrooms and bathrooms.

**Exhibit IV-31.**  
**Renters' Preferred House Size**



Source: La Plata County Resident Survey.

As is the case with owners, renters in the county with larger households are more likely to desire larger homes. Households with children present are more likely to prefer homes with four or five bedrooms than other types of households and elderly renters strongly prefer homes with two bedrooms.

Renters would rather have another bedroom than another bathroom. When given the opportunity to choose, 62 percent preferred an additional bedroom. Renters also would rather live in a new home than an old home by a ratio of 57 to 43 percent.

A comparison of current and ideal home sizes for renters indicates that renters living in one and two bedroom units would definitely prefer a larger home. Half of renters living in three bedroom units are satisfied with their number of bedrooms, but 44 percent would prefer an even larger home as shown in Exhibit IV-32.

**Exhibit IV-32.**

**Comparison of Renters' Current and Ideal Home Size (Number of Bedrooms)**

<i>Current Number of Bedrooms</i>	<i>Ideal Number of Bedrooms</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5+</i>
1	<b>9%</b>	48%	44%	-	-
2	-	<b>36%</b>	47%	15%	2%
3	3%	3%	<b>50%</b>	35%	9%
4	13%	13%	25%	<b>38%</b>	12%

Note: Table should be read as follows: 9 percent of households with one bedroom indicate that their ideal home would have one bedroom.

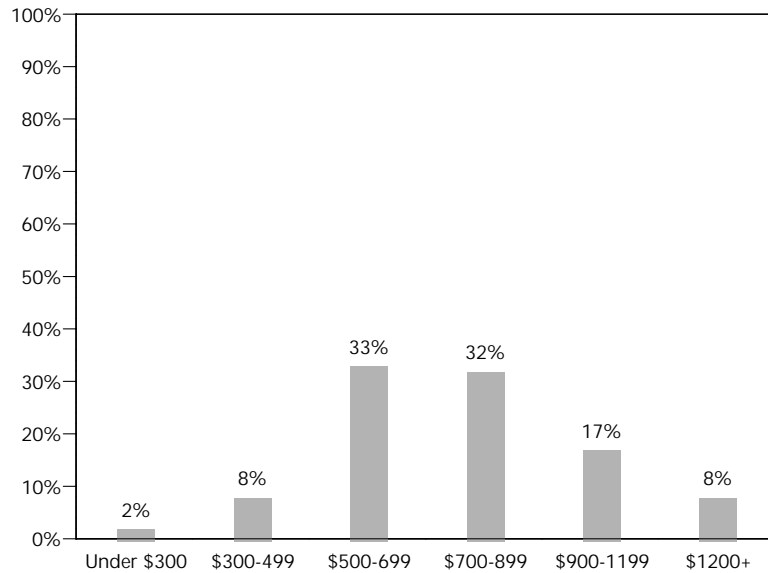
Source: La Plata County Resident Survey.

**Costs.** When asked to make a trade-off between reducing the cost of their housing and living in a larger home, two-thirds of renters who responded to the survey chose reducing their costs. Eighty percent preferred to reduce costs instead of living near their work.

As part of the survey, renters were also asked to indicate a fair and reasonable price for their ideal home, and most provided both rents and purchase prices. Exhibits IV-33 and IV-34 describe renters' responses, which are analyzed by type of unit, location and unit size below. One-third of renters believe that rent between \$500 and \$699 a month is fair and another third believe rents of \$700 to \$899 are fair for their ideal homes. Twenty-five percent of renters believe they should pay less than \$100,000 for a home and 34 percent want to pay between \$100,001 and \$150,000.

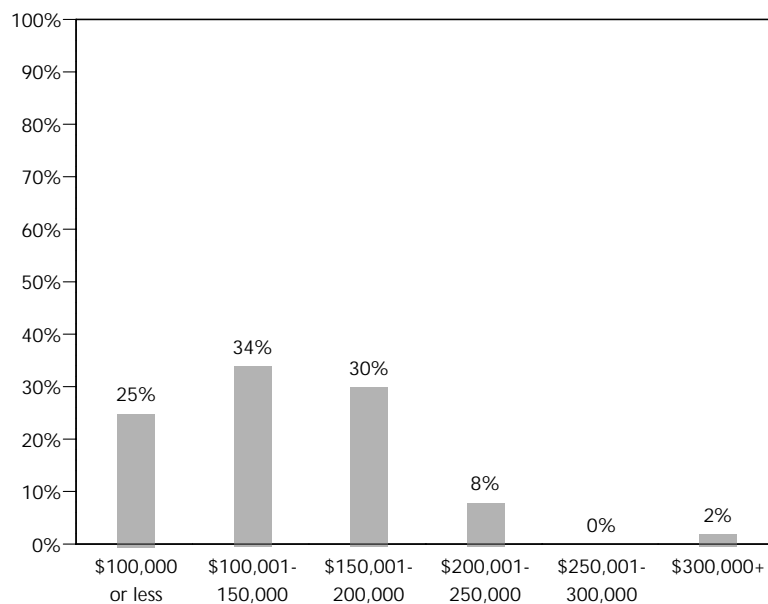
**Exhibit IV-33.  
Fair Rent for Renters'  
Ideal Home**

Source:  
La Plata County Resident Survey.



**Exhibit IV-34.  
Fair Purchase Price for  
Renters' Ideal Home**

Source:  
La Plata County Resident Survey.



As the majority of renters would prefer to own a home, the following analyses focus on renters' perceptions of fair purchase prices for different types and sizes of homes and for homes in different parts of the county. Of renters who earn more than \$15,000 a year, 57 percent believe that \$150,000 or less is a fair and reasonable price to pay for their ideal home.

Renters are willing to pay more for single family homes than for other types of owned units. Exhibit IV-35 demonstrates that 68 percent of renters believe that a price between \$100,001 and \$200,000 is a fair price for their ideal home.

**Exhibit IV-35.****Fair Purchase Price for Renters' Ideal Home by Type of Home**

<i>Fair Purchase Price</i>	<i>Ideal Type of Home</i>		
	<i>Single family</i>	<i>Condo/townhouse</i>	<i>Mobile home</i>
\$100,000 or less	20%	57%	100%
\$100,001-150,00	34%	29%	-
\$150,001-200,000	34%	14%	-
\$200,001-250,000	10%	-	-
\$250,001-300,000	-	-	-
\$300,000+	2%	-	-

Note: Table should be read as follows: 20 percent of renters whose ideal home is a single family unit believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey.

Fifty-four percent of renters who want to live in Durango believe that \$150,000 or less is a fair and reasonable price, as shown by Exhibit IV-36. The trend in the data show that renters wanting to live in Bayfield and Ignacio may be willing to pay less for their ideal home, but only six renters responded that they wanted to live in each location, making the data difficult to rely on.

**Exhibit IV-36.****Fair Purchase Price for Renters' Ideal House by Location**

<i>Fair Purchase Price</i>	<i>Ideal Location of House</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Rural La Plata County</i>
\$100,000 or less	17%	33%	33%	33%
\$100,001-150,000	37%	50%	50%	17%
\$150,001-200,000	37%	17%	17%	17%
\$200,001-250,000	7%	-	-	33%
\$250,001-300,000	-	-	-	-
\$300,000+	2%	-	-	-

Note: Table should be read as follows: 17 percent of renters whose ideal home is in Durango believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey.

Finally, renters are also willing to pay more for larger homes as shown by Exhibit IV-37. However, over 80 percent of renters who want a two bedroom home and 59 percent who want a three bedroom home believe that a fair price is less than \$150,000 (about \$30,000 less than the current median sales price).

**Exhibit IV-37.****Fair Purchase Price for Renters' Ideal House by Size**

<i>Fair Purchase Price</i>	<i>Ideal Number of Bedrooms</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5+</i>
\$100,000 Or less	100%	38%	20%	13%	25%
\$100,001-150,000	-	43%	39%	19%	-
\$150,001-200,000	-	19%	33%	50%	25%
\$200,001-250,000	-	-	9%	13%	50%
\$250,001-300,000	-	-	-	-	-
\$300,000+	-	-	-	6%	-

Note: Table should be read as follows: 100 percent of renters whose ideal house has one bedroom believe that \$100,000 or less is a reasonable and fair price.

Source: La Plata County Resident Survey.

**Conclusion**

The characteristics and preferences of owners and renters in La Plata County expands upon the findings in the previous section of this report describing housing supply. The ability to own a home is clearly the most important aspect of housing for just about everyone in La Plata County.

The cost of getting into the housing market is a significant barrier for many renters. Almost nine out of ten renters would prefer to own rather than rent. Yet, 73 percent of renters said they could not buy a home because they did not have enough money for a down payment and 55 percent said there were no homes for sale in their price range. Twenty-five percent of renters believe they should pay less than \$100,000 for their ideal home and 34 percent want to pay between \$100,001 and \$150,000. The median home sales price in 2001 was \$183,000. Though renters are more likely than owners to prefer smaller homes and non-single family units, the majority express a preference for a single family home with three bedrooms and two bathrooms. The next section of this report, Section V, will discuss the cost and affordability of housing in La Plata County in detail.

While owners appear to be more satisfied with their housing than renters, there is also some evidence of a desire to move up in the housing market. Those living in smaller homes with one or two bedrooms would prefer to own a larger home and those living in condos, townhomes and mobile homes would generally prefer to live in detached single family units. Fourteen percent of owners who responded to the mail survey believe a fair price for their ideal home is \$100,000 or less and another 21 percent believe a fair price is between \$100,000 and \$150,000. Thus, 35 percent of all owner respondents want to pay less than \$150,000 for their ideal home (\$33,000 below the median home sales price in 2001.)

Other important findings about the characteristics and preferences of owners and renters in La Plata County are as follows.

- Owner households typically have higher incomes than renter households. Twenty-one percent of owner households (versus 50 percent of renter households) have less than \$25,000 in income each year.
- A larger percentage of owner households are occupied by seniors and by families with children. Because the number of owner households exceeds the number of renter households by a margin of 2:1, this indicates that there are many more seniors and families with children who own their homes instead of renting.
- Sixty-three percent of adults living in renter households work full time, according to the resident survey. Overall, adults in renter households are more likely to work than adults in owner households, perhaps because of the inclusion of senior households in the home owner population.
- There are not major differences in terms of commuting time or distance between owners and renters.
- Ninety-one percent of owners express satisfaction with their current home versus sixty-five percent of renters.
- Fifty-seven percent of renters wanted to move while 42 percent planned to do so (versus 20 and 13 percent respectively for owners.) The desire to own a home instead of rent was the most prominent reason for wanting to move.
- Renters are more likely to prefer to live in Durango than owners. Fifty-nine percent of renters who responded to the survey said their preferred housing location was Durango compared to 47 percent of owners.
- Living in their desired location was less important to renters than owners. Sixty-five percent of renters indicated they would rather live in their desired location than have a larger home. However, more than half of renters would prefer to reduce the cost of their rent over living in a desired location, the opposite of the sentiment expressed by owners who value desired location over reduced costs.
- Household type appears to be closely related to size preferences among owners. Sixty-nine percent of owner households containing children prefer a home with at least four bedrooms. In contrast, 83 percent of senior households and 73 percent of other adult households living in their own home prefer a home with one to three bedrooms.
- Forty-six percent of La Plata County renters who responded to the mail survey said their ideal home would have three bedrooms. A larger percentage of renters than owners said their ideal home would have two bedrooms, 27 and 10 percent respectively.



**SECTION V.**  
**Costs, Affordability and Resources**

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## SECTION V.

### Costs, Affordability and Resources

So far, we have explored the demographic and economic characteristics of La Plata County and Durango, the supply of housing, and the demand for housing in terms of owners' and renters' characteristics and preferences. The mail survey allowed for an analysis of what residents prefer to pay for their ideal type of housing in Section IV. This section builds upon that analysis by presenting data about what owners and renters are currently paying. Qualitative evidence strongly suggests that housing affordability is a major concern. Data that substantiate that concern by combining information about housing prices and incomes are detailed here. In the next section, Housing Needs Analysis, we combine and evaluate all of the data and present a tool that can be used to assess La Plata County housing needs on an ongoing basis.

#### Qualitative Evidence

In the key-person interviews conducted by BBC, nearly all interviewees said housing affordability (as opposed to housing availability or condition) was the most serious housing issue facing La Plata County. Most felt that skyrocketing land prices in particular diminished affordability. Rising land costs are viewed as the result of scarce availability. One interviewee said land prices had tripled in the last ten years due to the population growth and lack of available space. Interviewees suggested lot prices in Bayfield and Ignacio are rising due to the “squeeze” in Durango. Knowledgeable individuals provided the following comments about affordability in the context of La Plata County housing:

- “Our economic development people are trying to bring in employers, who realize there’s no workforce housing out there.”
- “The College, city and other employers say they can’t retain or attract employees because there’s no reasonable, affordable housing.”
- “The issue shows up as much in who’s *not* here — ‘I’m not coming’ or ‘I’m leaving’ because they can’t afford to buy a home.”

Many interviewees had the impression that due to high home prices, most homes in Durango and La Plata County were being purchased by incoming professional, affluent families. One interviewee suggested that demand is driven by individuals purchasing homes for retirement and seasonal use. As an illustration, the interviewee cited a “flurry” of real estate activity without a substantial increase in school district enrollment. Another person mentioned that the “equity refugees from California come in and can pay a lot more than the locals can.”

The vast majority of individuals felt that in the home ownership area, the first time homebuyer had the greatest need. One interviewee said, “We’re really hurting on first time home ownership — costs are just too high.” Specific types of households needing affordable home ownership opportunities included young couples, single professionals, single mothers, and empty nesters — many of whom are in the middle class, making from 50 to 100 percent of median income.

The data support the contention that the citizens most affected by rising land costs are individuals with “average jobs.” Households at or just below median income probably want to purchase a home, but cannot afford the available properties. These types of households include people who work as police officers, teachers and administrative staff. Interviewees described service workers as a separate group, and there was a great deal of concern that rental units were sometimes not affordable to these workers, especially workers with families.

## Housing Costs

Individuals or families who rent or want to purchase a home in La Plata County are facing rising prices. The median sales price of homes has increased by nearly 95 percent in the last ten years and average rent doubled between 1990 and 2001. Only 15 percent of homes sold in 2001 cost less than \$100,000, and most of these residences were modular/mobile homes or condominiums/townhomes.

**Housing costs — owner occupied units.** Considering housing costs, we looked both at the price of homes currently on the market and at the cost current homeowners pay to own their homes.

*Purchase price.* Exhibit V-1 displays median sales price information for 1990 and 2001 for La Plata County, provided by the Durango Area Association of Realtors. These figures include in-town homes, condominiums and townhomes, mobile homes and country homes for the entire county. As the exhibit implies, sales prices for housing units have increased 94 percent in the last ten years.

**Exhibit V-1.**  
**Median Sales Price, La Plata County**

	1990	2001	% Increase
Median sale price of home	\$94,132	\$183,000	94%

Note: The 1990 price is an average, rather than median, sales price of residential properties. Because of a change in record keeping, it is unclear if mobile homes are included in the 1990 figure. Mobile homes are included in the 2001 data.

Source: MLS Data, Durango Area Association of Realtors.

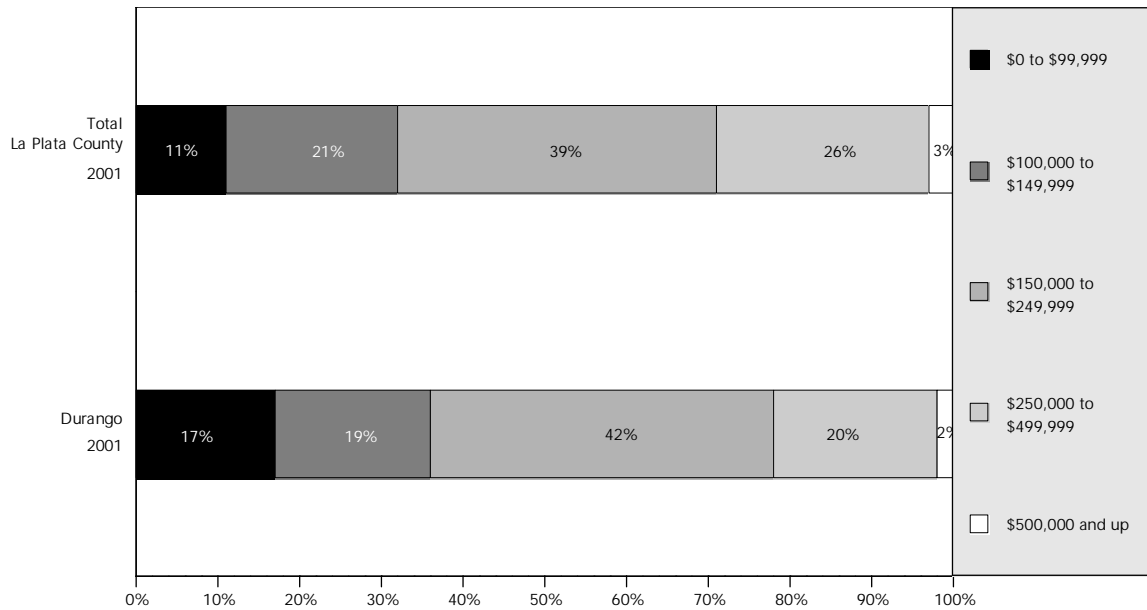
Exhibit V-2 categorizes the homes sold in 2001 for Durango and the county as a whole according to price. MLS data does not provide sufficient geographic detail to analyze information for Bayfield and Ignacio.

These data are consistent with interviewees’ characterizations of homes for sale in La Plata County. Most interviewees felt that very few homes were available for under \$100,000. Homes sold under \$100,000 were often assumed to be modular or mobile homes<sup>1</sup>. This price category was viewed as an appropriate price for a starter home by most interviewees.

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<sup>1</sup> In fact, MLS data show that all units sold in the City of Durango for less than \$100,000 were mobile/modular or condominium/townhomes.

**Exhibit V-2.**  
**Price Distribution of Home Sales, 2001**



Source: MLS Data, 2001.

Exhibit V-3 displays the number of homes sold in each price category.

**Exhibit V-3.**  
**Number of Homes Sold in La Plata County and Durango, 2001**

	<i>Total La Plata County</i>	<i>Durango</i>
\$0 to \$99,999	86	52
\$100,000 to \$149,999	167	57
\$150,000 to \$249,999	313	126
\$250,000 to \$499,999	204	61
\$500,000 and up	27	7
<i>Total:</i>	<i>797</i>	<i>303</i>

Source: Durango Area Association of Realtors.

MLS data demonstrate the types of homes that were sold at various price points. In La Plata County, units sold under \$100,000 included:

- 10 mobile/modular homes;
- 43 condominiums/townhomes;
- 26 rural homes (not condominiums or mobile homes); and
- 7 in-town homes (located in Bayfield and Ignacio only).

In Durango in 2001, the lowest priced single family home was sold for \$111,500. Therefore, all 52 units sold in Durango for under \$100,000 were either mobile/modular homes or condominiums/townhomes.

In addition to looking at sales prices, it is useful to understand the valuation of housing units. Valuation data is provided by the County Assessor's office and is used to calculate property taxes. Valuation represents not the price that a household paid for their home, but its current worth, and may reflect the wealth-building aspect of home ownership. Median home values in La Plata County are lower than sales prices.

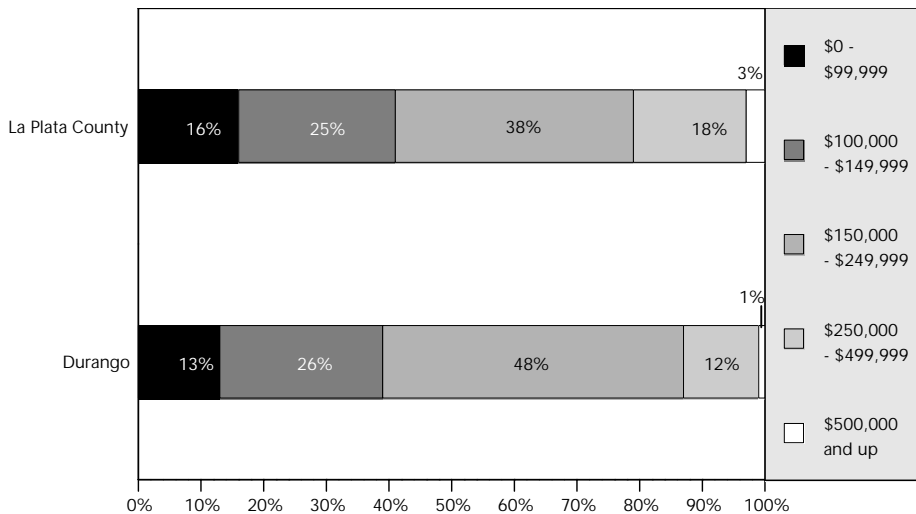
**Exhibit V-4.**  
**Median Home Value, La Plata County**

<i>Median Unit Value Mobiles Included</i>	<i>Median Unit Value Mobiles Excluded</i>
\$146,770	\$166,645

Note: Includes only single family units, not apartments or mobile home parks.  
Source: County Assessor's Office.

Exhibit V-5 describes the distribution of home values for all single family units, excluding mobile homes.

**Exhibit V-5.**  
**Distribution of Home Values**

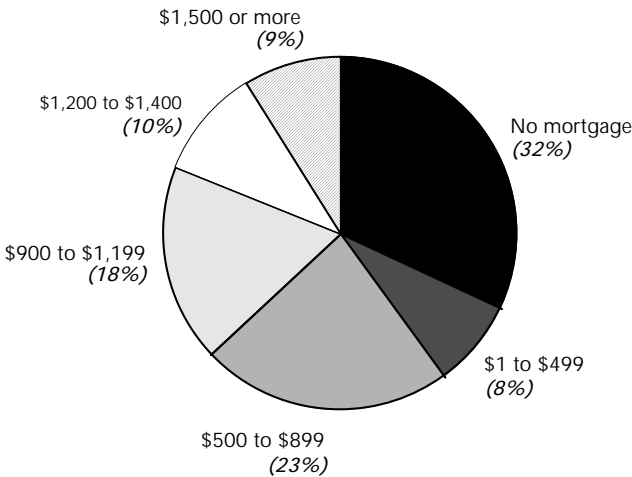


Note: Includes only single family units, not apartments or mobile homes.  
Source: County Assessors' Office.

As part of the mail survey conducted with La Plata County residents, owners reported their monthly mortgage and utility costs. Exhibit V-6 illustrates that about 9 percent of owners reported having a mortgage payment in excess of \$1,500 a month. Almost one-third of respondents reported having no mortgage payment. Statewide, only 17 percent of homeowners have no mortgage payment. Seniors who have paid off their mortgage and owners of second homes who paid cash for their home are examples of populations most likely to have no mortgage payments.

**Exhibit V-6.**  
**Owners' Monthly**  
**Mortgage Payments**

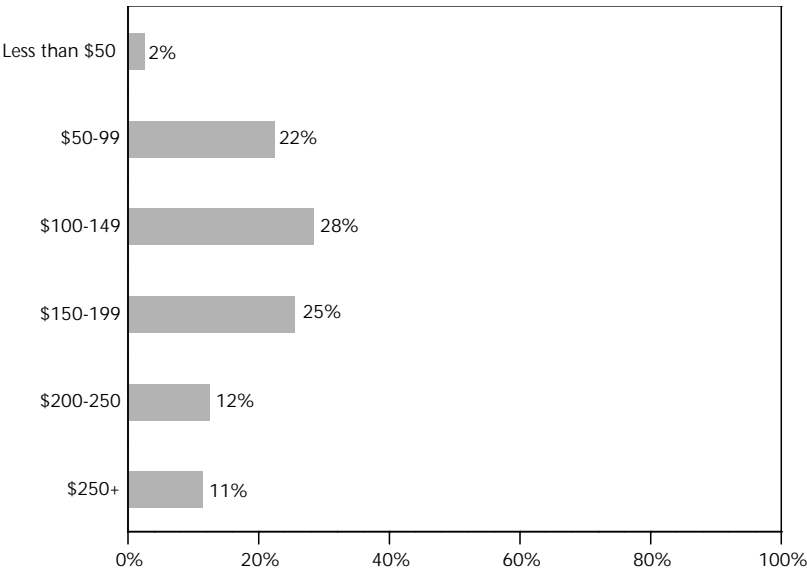
Source:  
La Plata County Resident Survey, 2002.



Most owners paid between \$100 and \$200 a month for electricity, gas, water and sewer. Exhibit V-7 also indicates that 11 percent reported paying more than \$250 a month for utilities.

**Exhibit V-7.**  
**Owners' Monthly Utility**  
**Payments**

Source:  
La Plata County Resident Survey, 2002.



Looking at monthly mortgage payment by area, we see that Ignacio residents appear more likely to have no mortgage payment when compared to other parts of the county. See Exhibit V-8 on the following page for more details.

**Exhibit V-8.**  
**Owners' Monthly Mortgage Payments by Area**

<i>Mortgage Status</i>	<i>Residence</i>			
	<i>Durango</i>	<i>Bayfield</i>	<i>Ignacio</i>	<i>Elsewhere in the County</i>
No payment	32%	18%	46%	35%
\$1 to \$499	7%	11%	9%	6%
\$500 to \$899	22%	28%	25%	21%
\$900 to \$1,199	17%	22%	15%	19%
\$1,200 to \$1,499	12%	7%	0%	12%
\$1,500 or more	9%	13%	5%	6%

Notes: (1) Table should be read as follows: 32% of Durango homeowners reported having no mortgage payment.

(2) Ignacio's high rate of "no payment" could be due to the presence of the Southern Ute Indian Tribe in the area.

Source: La Plata County Resident Survey, 2002.

Owners of single family homes are somewhat more likely to have a mortgage payment in excess of \$900 than the general population in La Plata County. Though the data are quite limited, owners of mobile homes appear to have lower mortgage payments than those living in single family homes. Not surprisingly, owners of larger homes tend to pay more in mortgage payments each month, though there was no relationship between size of home and the lack of a mortgage.

Few respondents reported dissatisfaction because their mortgage was too expensive or their home was too expensive to maintain. In fact, of the 386 survey respondents who owned their own home and had a mortgage payment, only 5 percent (18 total) reported that their mortgage was too expensive and only 2 percent (9 total) reported that their home was too expensive to maintain.

**Housing costs — rental units.** Secondary data on rents paid is available only for the City of Durango, not for Bayfield, Ignacio or unincorporated parts of the county. Below, we present available information on Durango rents as well as the most detailed analysis possible from the resident survey.

Exhibit V-9 shows average rents in the City of Durango for 1990 and 2001. As the data show, average rents nearly doubled in that timeframe.

**Exhibit V-9.**  
**Median Rent, City of Durango**

	<i>1990</i>	<i>2001</i>	<i>% Increase</i>
Median rent	\$374	\$714	94%

Source: U.S. Census Bureau, 1990 and 2000.

Exhibit V-10 displays rents for 1<sup>st</sup> and 3<sup>rd</sup> quarters from 1995 through 2001 by unit size where available. A noticeable increase in rents is seen for 1999, where rents increased substantially for all unit sizes. Rents returned to lower levels in 2000, but increased again in 2001.

**Exhibit V-10.**  
**Average Rents by Unit Size, Durango**

<i>Year</i>	<i>Efficiency</i>	<i>1 Bedroom</i>	<i>2 Bedroom 1 Bath</i>	<i>2 Bedroom 2 Bath</i>	<i>3 Bedroom</i>
3rd Qtr. 1995	\$236	\$551	\$522	\$681	\$763
1st Qtr. 1996	N/A	\$571	\$533	\$682	\$738
3rd Qtr. 1996	\$486	\$602	\$674	\$744	N/A
1st Qtr. 1997	\$506	\$594	\$675	\$763	N/A
3rd Qtr. 1997	\$530	\$598	\$610	\$717	\$560
1st Qtr. 1998	\$540	\$457	\$424	\$726	\$541
3rd Qtr. 1998	\$382	\$487	\$690	\$613	\$638
1st Qtr. 1999	\$504	\$516	\$705	\$611	\$813
3rd Qtr. 1999	\$513	\$524	\$722	\$549	\$1,013
1st Qtr. 2000	\$378	\$513	\$535	\$756	\$826
3rd Qtr. 2000	\$408	\$489	\$554	\$859	\$868
1st Qtr. 2001	\$538	\$655	\$631	\$808	\$1,199
3rd Qtr. 2001	N/A	\$621	\$649	\$848	\$865

Source: Colorado Division of Housing.

A total of 128 renters responded to the La Plata County resident survey conducted by BBC. For these respondents, monthly amount paid in rent was distributed as shown in Exhibit V-11. The category with the largest number of responses was \$500 to \$699 a month: 37 percent of respondent renters paid rent in this range.

**Exhibit V-11.**  
**Monthly Rents**

Source:  
La Plata County Resident Survey, 2002.

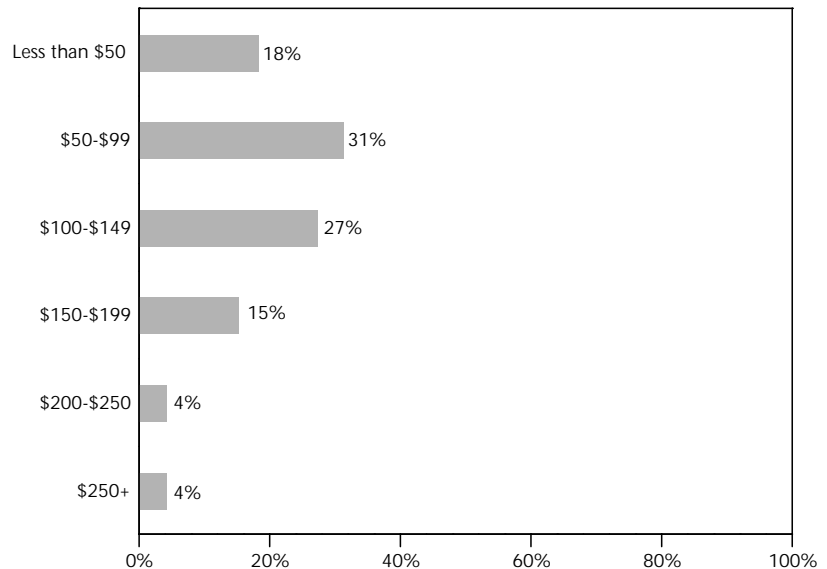
	<i>Percent of Respondents Paying Rent</i>
No cash rent	2%
Less than \$300	9%
\$300-\$499	16%
\$500-\$699	37%
\$700-\$899	17%
\$900-\$1,199	14%
\$1,200+	6%

Renters were also asked what they pay each month for electric, gas, water and sewer utilities. They were explicitly instructed to not report the cost of utilities included with their rent. As Exhibit V-12 shows, 18 percent of renters reported paying less than \$50 each month for utilities. Comparing Exhibit V-12 with Exhibit V-7, “Owners’ Monthly Utility Payments” presented above, we see that renters tend to pay less for utilities each month than owners.



**Exhibit V-12.  
Renters' Monthly Utility  
Payments**

Source:  
La Plata County Resident Survey, 2002.



Too few renters from Bayfield, Ignacio or unincorporated parts of La Plata County responded to the resident survey to be able to analyze rent levels by area. Interviews with town representatives, Census data and survey data indicate that renting is much less common in Bayfield or Ignacio than it is in Durango. Renter responses to the mail survey suggest that the distribution of rents paid is not very different from what is presented in Exhibit V-12 for different types of housing and for different sizes of housing.

Slightly more than one of every four, or 27 percent, of renters indicated that they thought their rent was too expensive. The proportion of low income renters indicating that their rent was too expensive was actually lower than for all renters, at 22 percent.

### **Housing Affordability**

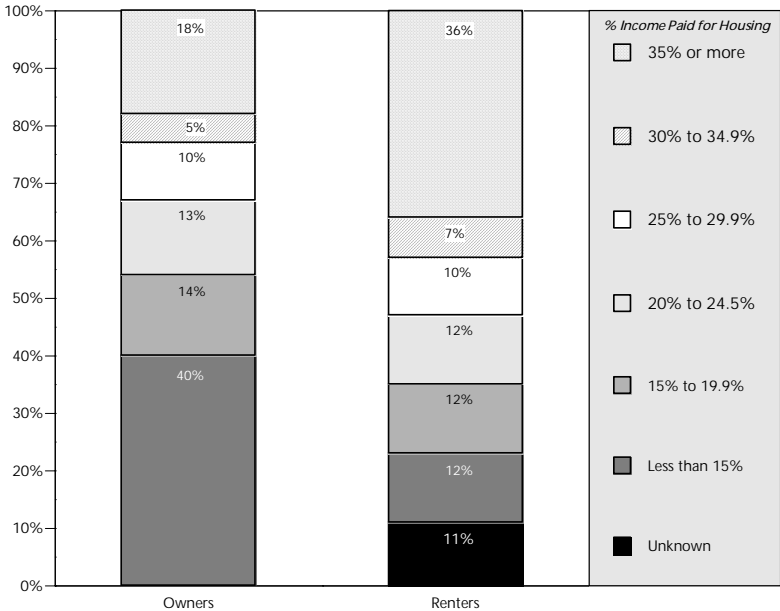
Housing affordability is an important concept for this study. The study team has analyzed affordability in two ways — by looking at the affordability of people's current living situation and by looking at the affordability of entering the home ownership market.

**Affordability of current home.** As defined by the U.S. Department of Housing and Urban Development (HUD), housing is considered to be affordable if a household spends no more than 30 percent of its gross monthly income on housing costs. Housing costs include rent, mortgage payments, property taxes and insurance.

So, how many households in La Plata County are paying more than 30 percent of their income for housing? Exhibit V-13 answers this question. Twenty-three percent of owners and 43 percent of renters are paying more for their housing than they can afford using, HUD's definition.

**Exhibit V-13.**  
**Housing Affordability in**  
**La Plata County**

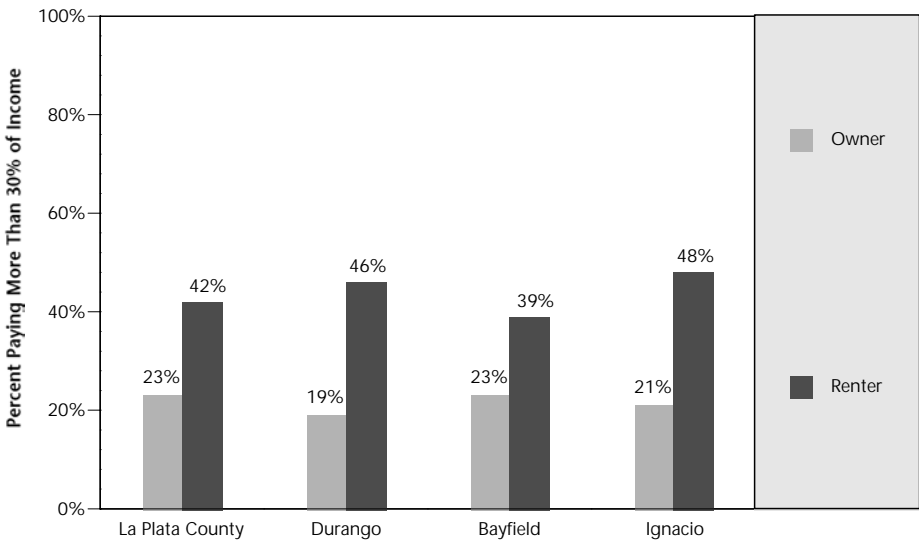
Source:  
U.S. Census Bureau, Census 2000.



Interviewees suggested that Fort Lewis College students might contribute to the lack of affordable, adequately sized housing available for low income families. For example, since three or four students can pool their incomes to afford a larger, higher priced apartment, the rent is more affordable for them than it would be for a family with only one or two incomes.

Data from the 2000 Census are also available for Durango, Bayfield and Ignacio. As Exhibit V-14 indicates, housing affordability is a slightly bigger problem for renters in Durango and Ignacio than for renters in the rest of the county. Within the City of Durango, owners are actually more likely to be able to afford their home.

**Exhibit V-14.**  
**Cost Burdened Households by Area**



Source: U.S. Census Bureau, Census 2000.

Another more general way to think about affordability is to compare housing cost increases over time with increases in income. As is the case in most parts of Colorado, La Plata County incomes have not kept pace with the increase in housing costs. Exhibit V-15 demonstrates that average household income rose 56 percent between 1990 and 2000. The sales price of an owner occupied housing unit rose 94 percent in approximately the same period, and rents rose 91 percent. This supports the anecdotal perception that housing affordability is the primary issue facing the La Plata County housing market today.

**Exhibit V-15.**  
**Increases in Rent, Home Prices and Income, La Plata County**

	<i>Percent Increase</i>
Rent	91% (1990-2001)
Home Price	94% (1990-2001)
Median Income	56% (1989-1999)

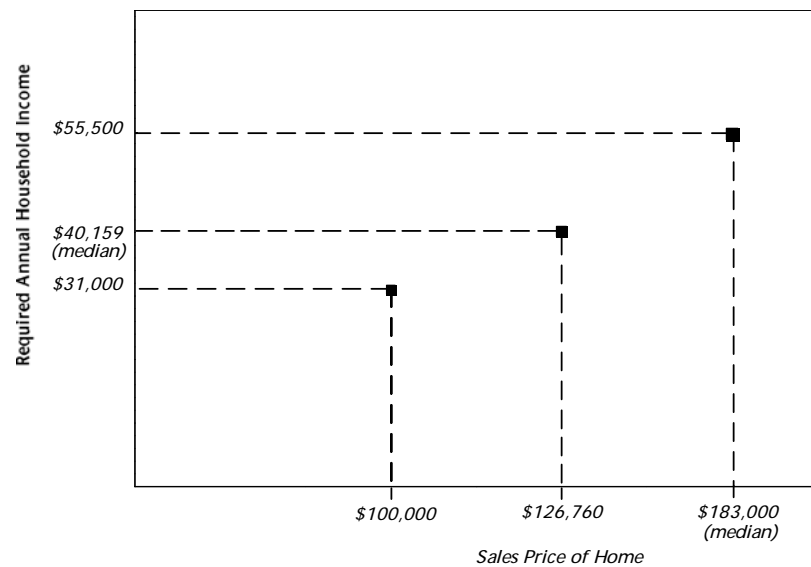
Note: Rent data are for Durango area only.

Source: U.S. Census Bureau, Durango Area Association of Realtors, Colorado Division of Housing.

**Affordability of entering home ownership market.** Exhibit V-16 illustrates the annual household income required to buy a home at \$100,000 and \$183,000. Many interviewees suggested that \$100,000 was an appropriate purchase price for first-time homebuyers and \$183,000 was the median home sales price in 2001. Purchasing the median priced home requires an annual household income of \$55,000.

**Exhibit V-16.**  
**Affordability of Homes for Sale**

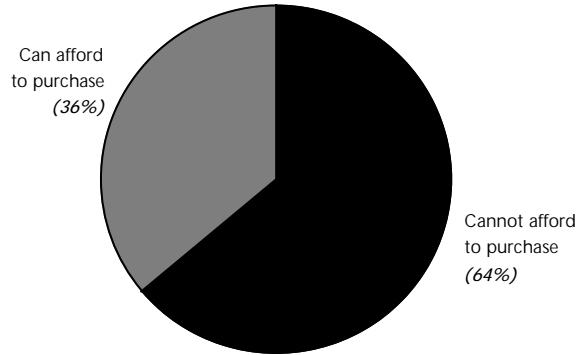
Source:  
BBC Research & Consulting.



Only 36 percent of La Plata County households earn enough each year to purchase the median priced home, as shown in Exhibit V-17.

**Exhibit V-17.**  
**Percent of Households with**  
**Income Required to Purchase**  
**Median Price Home**

Source:  
BBC Research & Consulting.



If just over one-third of households in the county have annual income required to purchase the median-priced home, what prices can households with lower incomes afford? Exhibit V-18 summarizes the total mortgage costs and monthly payments affordable to households at various income levels. The exhibit shows that households earning the median income can afford a home priced at \$126,760. Only 20 percent of all homes sold in La Plata County in 2001 were sold for \$126,760 or less.

**Exhibit V-18.**  
**Price and Number of Affordable Units, La Plata County**

<i>Annual Household Income</i>	<i>Affordable Monthly Payment</i>	<i>Affordable House Price</i>	<i># of Units Sold in 2001 At Affordable Price or Below</i>	<i>% of All Units Sold in 2001</i>
\$15,000	\$300	\$47,347	14	2%
\$20,000	\$400	\$63,129	23	3%
\$30,000	\$600	\$94,694	76	10%
\$40,159 (median)	\$803	\$126,760	163	20%
\$50,000	\$1,000	\$157,823	280	35%

Note: (1) Using HUD's definition, housing is affordable if total housing costs (including insurance and property taxes) do not exceed 30 percent of income. These calculations assume that 80 percent of total housing costs are for mortgage payments, with the remaining 20 percent available for PMI, insurance and property taxes. In other words, we have not included these additional expenses, we have simply allowed for them, which explains why the affordable payment is not 30 percent of income.

(2) Assumes 5 percent down payment, 7 percent interest rate and 30 year term.

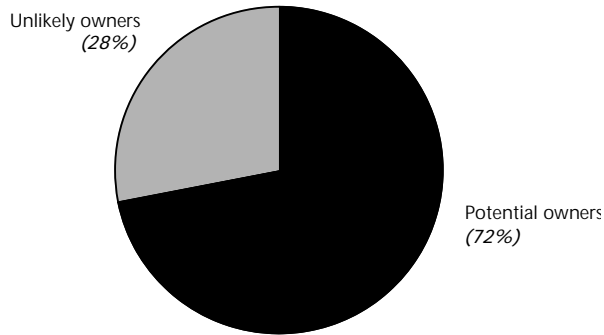
Source: BBC Research & Consulting.

The type of homes available to households at lower income levels is also of interest, given the strong preferences for single family detached units. All homes sold in the county in 2001 for \$47,347 or less (affordable to households earning \$15,000) were mobile homes without land, condos, townhomes, or rural residential units with less than 35 acres of land. While mobile homes dominate the type of units available for those earning \$15,000 a year, condo, townhomes and rural residential units with less than 35 acres are more prominent in the price range for households earning \$20,000 or \$30,000 annually. Of the 76 units sold for \$94,694 or less in 2001, only six were classified as non-rural single family homes, all of which were in Bayfield or Ignacio, not Durango. As incomes approach or exceed median income (\$40,159), the type of location of housing available on the market becomes more varied, with single family units available in Durango or rural units available with more than 35 acres.

The vast majority of renters, 89 percent, who responded to the survey would prefer to own their own home. Realistically, not all renters will be able to achieve their goal of home ownership. The National Low Income Housing Coalition reports that for extremely low income households (i.e., those earning 30 percent or less of median income) home ownership may not be the best option because of concerns about maintenance costs and debt and credit issues.<sup>2</sup> Based on this information, the study team has estimated the number and percentage of renter households in La Plata County that are potential homeowners (i.e., those earning more than \$15,000 per year). Exhibit V-19 demonstrates that approximately 72 percent of current renter households have an income in excess of 30 percent of median income, which would allow them to potentially enter the home ownership market.

**Exhibit V-19.  
Renters Who Could  
Become Owners**

Source:  
BBC Research & Consulting, based on data  
from La Plata County Resident Survey and  
U.S. Census Bureau, 2000.



Looking at the 72 percent of current renter households in La Plata County that are in a position to potentially enter the home ownership market, we calculated the number and percent that would be able to afford a home at a purchase price of \$100,000 and \$183,000. The results are presented in Exhibit V-20, which shows that of the 3,968 total potential owners, only 23 percent can afford the median-priced home in La Plata County. An additional 58 percent would be able to afford a home of \$100,000, though only 86 housing units were sold in the county for less than \$100,000 in 2001 (and as discussed previously, none of these units were single family homes).

**Exhibit V-20.  
Potential Owners Who Can Afford to Purchase Median and \$100,000 Price Home**

Home Price	Number of Potential Owners	Percent of Potential Owners
\$183,000 (Median)	917	23%
\$100,000	2,300	58%

Source: BBC Research & Consulting.

In previous sections of this report, we highlighted preferences and characteristics of renters who earn more than \$15,000 a year. Given the new classification of these households as potential owners, we reiterate some key findings.

- Of renters who earn more than \$15,000 a year, 57 percent believe that \$150,000 or less is a fair and reasonable price to pay for their ideal home.

<sup>2</sup> National Low Income Housing Coalition. *2002 Advocates' Guide to Housing and Community Development Policy*.

- Eighty-four percent of current renters who earn more than \$15,000 a year prefer a single family home.
- Fifty-six percent of renters who earn more than \$15,000 a year prefer living in Durango and 29 percent prefer to live in rural La Plata County.

### **Available Resources**

While housing costs and affordability are clearly a major issue for many La Plata County residents, there are government entities and non-profits in the county devoted to assisting those in need. Most resources available are targeted at extremely low income households (30 percent or less of median income or \$12,000 a year or less) or at households earning less than the median income.

**Extremely low income households.** While this income group typically needs assistance with housing, they are the most frequent recipients of federal and state housing assistance. However, demand for this assistance is significant.

- For example, Southwest Community Resources administers several housing assistance programs and distributes vouchers for housing. They provide 131 families with Section 8 and state vouchers across Archuleta, San Juan and La Plata Counties. They currently have 250 people on this waiting list due to funding restrictions.
- Southwest Community Resources also has a transitional housing program that places families in housing in the private sector. This program places 20 to 40 families per year and currently has 80 families on the waiting list.
- To assist extremely low income households with home maintenance and rehabilitation, Southwest Community Resources administers a weatherization program and homeowner rehabilitation program. The weatherization program currently assists approximately 84 households. Landlords that have low income units are eligible for this program. The waiting list is currently 18 months to 2 years for this service. The homeowner rehabilitation program tackles substantial repairs, such as roofing or wall cracks. Currently they have four to five active rehabs, and they complete about six homes per year.

**Below median income.** Several area organizations are dedicated specifically to affordable home ownership. Habitat for Humanity and Colorado Housing, Inc. serve those making less than median income. These homes are usually “starter homes” for families and require family participation, or “sweat equity” in building the home. Both organizations aim to include affordable housing in new owner occupied housing developments. Mercy Housing is another local provider of housing for below median income households with a focus strictly on rental housing.

- Habitat for Humanity is a nonprofit, ecumenical Christian housing ministry. The organization seeks to eliminate poverty housing and homelessness by building houses together in partnership with families in need. In selecting Habitat homeowners, Habitat for Humanity considers three criteria: the need for adequate shelter, the ability to pay for the Habitat home, and a willingness to partner and invest sweat equity. In La Plata County, Habitat provides home ownership opportunities for households earning between 30 and 60 percent of median income. Since 1995, Habitat for Humanity of La Plata County has built 14 houses. They planned to build five to eight additional homes in 2002. The average cost of a Habitat home including land, materials and labor is approximately \$64,000.
- Based in Pagosa Springs, Colorado Housing, Inc. (CHI) is a self-help home ownership program that offers low interest, no down payment home loans through USDA. CHI serves families who are at 40 to 80 percent of median income in Archuleta, La Plata and Montezuma counties. Home owners are required to put in 600 to 800 hours of family time. CHI has completed 97 homes (approximately 25 per year) and had a goal for 28 homes to be built in 2002.

Colorado Housing, Inc. considers La Plata County to be difficult for the completion of their projects due to the high price of land. Lots in Archuleta County are priced at about \$7,000 to \$10,000, while lot prices in La Plata County are much higher.

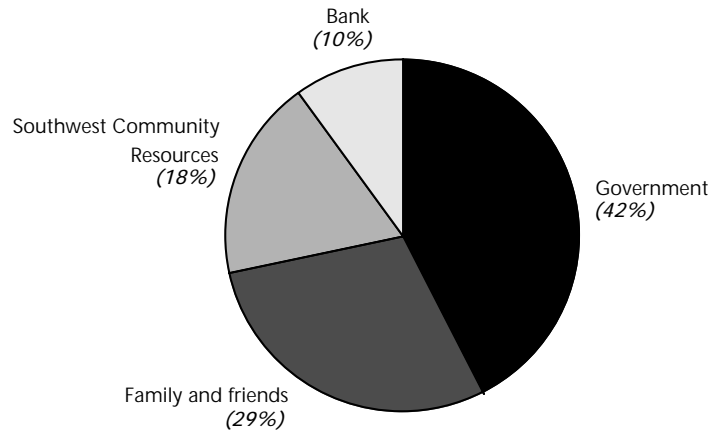
- Mercy Housing operates a Low Income Housing Tax Credit property in Durango called Merced de Las Animas which consists of 50 one, two and three-bedroom town homes. The facility is available for rent to households at 40 to 60 percent of median income. Rents are prorated based on income; for example, a two-bedroom unit rents for \$316 per month to a household that earns 40 percent of median income. Affordable day care and computer classes are also available on site. At any one time, Mercy Housing has several dozen families on the waiting list for units. In addition, the agency receives five to ten phone calls per day inquiring about affordable housing.

Mercy Housing is also collaborating with Southwest Mental Health to develop a 59-unit housing property breaking ground in Fall 2002. Approximately 15 of the units will be specified for individuals with mental health disabilities.

**Utilization of local resources.** Respondents to the mail survey were asked if they had ever sought assistance for rent payments or to purchase a home. Only 9 percent of all respondents said they had sought help. Eighteen percent of renters versus 6 percent of owners had sought some type of assistance. Exhibit V-21 demonstrates that the most common form of assistance was listed as government social services, government or a specific government program such as Section 8. Almost one-third had sought help from family or friends.

**Exhibit V-21.**  
**Sources of Assistance Sought**

Source:  
La Plata County Resident Survey.



Seventy-nine percent of respondents who asked for assistance, received it. Those that did not receive help were likely to say they made too much money or that they were still on a waiting list.

**Conclusion**

The cost of housing and housing affordability are significant issues in La Plata County. Home prices and rents have increased substantially in the last ten years and incomes have not kept pace. About 23 percent of owner households cannot afford their current living situation. Yet, the results of the resident survey indicate that only 5 percent of owners with a mortgage are dissatisfied with their current situation because their mortgage is too expensive and almost one-third of owners do not have a monthly mortgage payment. What this may suggest is that people who are already in the home ownership market are in relatively good shape. On the other hand, almost all current renter households would prefer to own their own home and 42 percent of renters cannot afford their current housing situation.

Many interviewees suggested that \$100,000 was an appropriate purchase price for first-time homebuyers, while the median housing price was \$183,000. Only 86 housing units were sold in the county for less than \$100,000 in 2001. Half of these units were condominiums, townhomes or mobile/modular homes; none were detached single family homes in the City of Durango.

Most survey respondents do not report asking for assistance with their housing costs. Renters are more likely than owners to request help, though only 18 percent indicated doing so. The most typical resources are government or social service programs and family/friends. There are several organizations in the county that work to assist extremely low income and below median income households with housing, but most struggle with rising land costs and long waiting lists.

The next section, Housing Needs Analysis, will combine and evaluate the findings from Sections II, III, IV and V and present a tool that can be used to assess the housing situation in La Plata County on an ongoing basis.



## **SECTION VI.**

### **Housing Needs Analysis**

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## SECTION VI.

### Housing Needs Analysis

Sections II, III, IV and V of this report have cast a wide net to describe the population, economy and housing stock and housing affordability in La Plata County. After reading the text of the four proceeding sections along with the multitude of charts and graphs, two key questions remain.

1. Of all this information, what matters the most for assessing housing needs in La Plata County and in Durango?
2. What type of information about the population and housing stock should be tracked over time?

In this final section, BBC will answer these questions by creating benchmarks that describe and assess the housing situation in La Plata County. These benchmarks tell the story of housing in the county in a succinct and easy to understand manner. First, we describe the process for culling critical information. Then we present our analysis of the housing needs in the county as a series of benchmarks that can be updated on a regular basis. Finally, policy considerations for addressing some of the important issues facing the county are provided.

#### Analysis of Housing Needs

Once the task of data compilation was complete, the study team turned to analysis. To determine the key elements of the story of housing in La Plata County, select the relevant benchmarks and make policy recommendations, we asked several questions.

- What are the areas of convergence between the qualitative information collected through key person interviews and the quantitative data collected from the U.S. Census, the resident survey and other sources?
- What are the preferences of La Plata County residents in terms of their housing choices?
- What measures would most effectively benchmark or describe the housing market in the local area?

Considering these three questions in the context of the information presented throughout this report, it becomes clear that the most pressing issues in La Plata County and Durango are the affordability of housing and the ability of renters to move into the homeownership market. In addition to these two needs, policymakers also should monitor the satisfaction of existing homeowners and the quality of units available on the rental market as well as demographic trends that will help predict future housing needs.

**Affordability.** It is difficult for many households in La Plata County to afford their housing situation. Home prices and rents have increased significantly in the last ten years and incomes have not kept pace. The median home price is currently \$183,000 while median income is \$40,159. A household would need earnings of \$55,000 a year to purchase the median home. Only 36 percent, or just over one-third, of households in the county have annual earnings at this level.

Twenty-three percent of owners and 42 percent of renters pay more than 30 percent of their income for housing according to the U.S. Census. So, in La Plata County, approximately 2,750 owner households and 2,300 renter households are cost-burdened. Cost-burdened renters will find it more difficult to save money for a down payment and enter the home ownership market. Indeed, 73 percent of renters said they could not buy a home because they did not have enough money for a down payment.

The results of the resident survey indicate that only 5 percent of owners with a mortgage are dissatisfied with their current situation because their mortgage is too expensive. What this may suggest is that people who are already in the home ownership market are in relatively good shape. Indeed, they may benefit from the increasing value of homes. While there is some discrepancy between the 43 percent who cannot afford their rent using the traditional definition of affordable and the 27 percent of resident survey respondents who indicate that their rent is too expensive, by either method many renters are cost-burdened.

**First-time homebuyers.** Households that are currently renting, but would like to enter the homeownership market, are in a difficult position in La Plata County. Almost all current renters, 89 percent, would prefer to own a home. Realistically, not all renters will be able to achieve their goal of home ownership. Still, 72 percent or almost 4,000 current La Plata County renter households have an income in excess of 30 percent of median income (defined as \$15,000 and above), which would allow them to potentially enter the home ownership market. Of these 4,000 households, only 23 percent can afford the median-priced home in La Plata County.

Financial barriers are clearly the most significant in preventing the transition from renter to home owner. Seventy-three percent of renters said they could not buy a home because they did not have enough money for a down payment and 55 percent said there were no homes for sale in their price range. Many first-time homebuyers are squeezed between paying more in rent than they can afford, which makes it difficult to save money for a down payment, and the fact that home prices are increasing faster than incomes.

Interviewees suggested that \$100,000 was an appropriate purchase price for first-time homebuyers. Only 86 housing units were sold in the county for less than \$100,000 in 2001. Half of these units were condominiums, townhomes or mobile/modular homes; none were detached single family homes in the City of Durango. As policymakers consider ways to produce more housing that is affordable to first-time homebuyers, the preferences of potential owners are important to consider. Of renters who earn more than \$15,000 a year and are thus potential owners, 57 percent believe that \$150,000 or less is a fair and reasonable price to pay for their ideal home. Potential owners also clearly prefer single family homes and more than half would prefer to live in the City of Durango.

**Current homeowners.** Current homeowners in La Plata County and Durango tend to be satisfied with their housing. When compared to renters, owners are generally in a better position in terms of their income and the affordability of their housing. In the short run, the study team does not see a need for policymakers to focus on this population when considering housing policy, though it will be important to monitor trends to ensure continued high levels of satisfaction.

There are 11,867 owner occupied housing units in La Plata County. Twenty-four percent of these units, or 2,845, are in Durango. Three-fourths of owner occupied units are single family and almost three-fourths are located in unincorporated parts of the county. Ninety-one percent of owners who responded to the mail survey indicated that they were very satisfied or satisfied with their home and just about one-third of owners do not have a mortgage. Twenty percent of owners want to move, mainly to larger homes or other locations.

**Rental market.** There are 5,475 rental units in La Plata County. Forty-eight percent of rental units are located in the City of Durango, with another 47 percent located in unincorporated parts of the county.

As discussed previously, the costs and affordability of the rental market is a significant issue as it relates to the ability of potential homeowners to buy a home. There are many households in the city and county that will remain as renters, and policymakers need to pay attention to the quality and cost of rental housing for this population, and be prepared to address any emerging concerns.

The City of Durango and La Plata County do not have formal inspections or inventories of substandard or illegal housing in the area. Overall, 19 percent of La Plata County renters report that their units are in poor condition. A slightly higher percentage of renters earning less than \$15,000 a year say their units are in poor condition (24 percent). Interviewees suggested that the condition of rentals has improved with the additional apartment units completed in the 1990s. With more availability, landlords of lower quality units have reportedly been forced to make necessary repairs in order to attract tenants. However, quality and condition of rental units should remain a priority.

Twenty-two percent of renters earning less than \$15,000 a year believe that their rent is too expensive and 41 percent want to move. It is worth noting that both of these percentages are lower than those reported by all renters, which supports the recommendation that monitoring of the rental market is the appropriate response at the current time.

**Demographic trends.** Section II presented a wealth of demographic and economic data. The most important trends for policymakers interested in housing are as follows.

- The total number of households in La Plata County was 17,342 in 2000. If the number of households continues to increase, so too will the need for a larger supply of housing units.
- Currently, almost two-thirds of the population lives in unincorporated La Plata County. Thirty-two percent lives in Durango, 3 percent lives in Bayfield and 2 percent lives in Ingacio. The population distribution is affected by both the geographic distribution of the housing supply and the preferences of the population.

- There are currently 20,765 housing units in La Plata County. The number of units is higher than the number of households because some units are vacant. Most vacant units in the county are used for seasonal housing. The extent to which the rate of increase in housing units matches the rate of increase in the number of households speaks to the “tightness” of the local housing market.
- Adults between 25 and 44 are in their prime first-time home buying years. Currently, there are 12,740 adults in this age range in the county. If the size of this population increases, it is likely that the demand for ownership housing will increase as well.
- There are currently 8,639 households earning less than the median income. While some of these households contain seniors who may have paid off their mortgage, the size of this population helps to determine the demand for housing at the lower end of the cost spectrum.
- Housing preferences in terms of size are closely related to household type. If the population of senior households, currently at 2,948, increases then so too might demand for smaller homes or non-single family homes. On the other hand, if the number of households with children, currently at 5,029, increases so too will demand for larger, single family homes.
- As of 2000, 36 percent of local employment was in the service sector and 20 percent was in the retail sector. These two sectors typically pay less than others. If current trends continue, it is reasonable to assume that the demand for housing at the lower end of the cost spectrum will also increase.

**Summary and benchmark tool.** Exhibit VI-1 on the following page summarizes the state of housing in La Plata County and Durango as described above. Not only does Exhibit VI-1 tell the story of the current housing market, it also serves as a tool that can be updated by the city and county on an annual basis. Annual updates will allow local policymakers to understand how the dynamics of the market are changing and adjust policies and priorities accordingly. Appendix C contains a technical guide that describes data sources and provides guidance on how to collect and analyze information.

**Exhibit VI-1.**  
**Housing Analysis Indicators**

<i>Category</i>	<i>2002 Baseline</i>
<b>Affordability</b>	
Median Household Income	\$40,159
Median Home Price	\$183,000
Median Assessed Home Value (mobiles excluded)	\$166,645
Income Required to Purchase Median Price Home	\$55,500
Percent of Households with Income Required to Purchase Median Price Home	36%
Percent of Cost-Burdened Owner Households	23%
Percent of Cost-Burdened Renter Households	42%
Percent of Owners Dissatisfied with Cost of Mortgage	5%
Percent of Renters Dissatisfied with Cost of Rent	27%
<b>First Time Homebuyers</b>	
Percent of Renters Who Prefer to Own	89%
Percent of Renters Who are Potential Owners*	72%
Number of Potential Owner Households	3,968
Percent of Potential Owners Who Can Afford Median Sales Price Home	23%
Percent Potential Owners Who Believe Fair Price for Ideal Home is Less Than \$150,000	57%
Percent of Potential Owners Preferring Single Family Home	84%
Percent of Potential Owners Preferring Home in Durango	56%
Percent of Potential Owners Preferring Home in Rural La Plata County **	29%
<b>Existing Homeowners</b>	
Number of Owned Housing Units (Occupied)	11,867
Percent Owned Units Classified as Single-Family	75%
Percent of Owned Units in Durango	24%
Percent of Owned Units in Rural La Plata County**	71%
Percent with No Mortgage	32%
Percent Very Satisfied or Satisfied with Current Home	91%
Percent Wanting to Move	20%
<b>Rental Market</b>	
Number of Rental Units (Occupied)	5,475
Percent of Rental Units in Durango	48%
Percent of Rental Units in Rural La Plata County**	47%
Percent of All Renters Reporting Unit in Poor Condition	19%
Percent of Renters Earning Less Than \$15,000 Reporting Unit in Poor Condition	24%
Percent of Renters Earning Less Than \$15,000 Reporting Rent/Mortgage Too Expensive	22%
Percent of Renters Earning Less Than \$15,000 Who Want to Move	41%
<b>Demographics</b>	
Number of Households	17,342
Percent of County Population in Durango	32%
Percent of County Population in Rural La Plata County**	63%
Percent of County Population in Bayfield	3%
Percent of County Population in Ignacio	2%
Number of Housing Units (Occupied & Vacant)	20,765
Population ages 25-44	12,740
Number of Households Below Median Income	8,639
Number of Senior Households	2,948
Number of Households with Children	5,029
Number of Households with Adults Only	9,365
Percent of Employment in Service Sector	36%
Percent of Employment in Retail Sector	20%

\* Potential owners: Renter households who earn more than \$15,000 a year (approximately 30 percent of median income).

\*\* Does not include Bayfield or Ignacio.

Source: BBC Research & Consulting.

## Demographic and Housing Projections

Exhibits VI-2 through VI-20 provide estimates and projections for various demographic and housing data by geographic area for years 2000, 2005 and 2010. These estimates and projections were provided to the study team in their entirety by the City of Durango and La Plata County. The BBC study team reviewed the material to ensure consistency with the body of this report.

Projections for 2005 and 2010 are based on county population projections prepared by the Colorado Demography Section (CDS) of the Department of Local Affairs. Estimates and projections of geographic data allocations by municipality are based on ratios for Durango, Bayfield and Ignacio to total La Plata County data. The numbers for 2005 and 2010 should be interpreted as approximate estimates, since there are many factors other than population increases that determine growth rates. For example, future growth rates may not be uniform throughout La Plata County. Also, as shown in Exhibit V-15, median rent, median home price and median income did not increase at the same rates between 1990 and 2000 and are likely to increase at different rates in the future.

**Projections of population and households.** Exhibit VI-2 indicates population, population in households and number of households for 2000, 2005 and 2010 for La Plata County, Durango, Bayfield, Ignacio and the balance of the county. Population projections for La Plata County for 2005 and 2010 were provided by CDS. Population projections and projections of population in households for 2005 and 2010 for the municipalities and the balance of La Plata County were calculated by applying the year 2000 percentages of municipal population to total county population. Exhibit VI-1 shows increases in the number of households of about 12 percent from 2000 to 2005 and increases of about 24 percent from 2000 to 2010. These percentage increases are used to estimate 2005 and 2010 data for other exhibits in this section.

### Exhibit VI-2.

#### Projections of Population and Number of Households — 2005 and 2010

Location	2000		2005		2010	
	Population <sup>1</sup> (Pop. in Households)	# Households	Population <sup>2</sup> (Pop. in Households)	# Households <sup>3</sup>	Population <sup>2</sup> (Pop. in Households)	# Households <sup>3</sup>
La Plata County	43,941 (42,116)	17,342	49,322 (47,274)	19,454	54,676 (52,405)	21,566
Durango	14,021 (12,227)	5,492	15,738 (13,724)	6,154	17,446 (15,214)	6,822
Bayfield	1,565 (1,548)	567	1,757 (1,738)	634	1,947 (1,926)	703
Ignacio	669 (658)	262	751 (739)	298	832 (818)	330
Balance of County	27,686 (27,683)	11,021	31,076 (31,073)	12,368	34,451 (34,447)	13,711

Note: Table should read as follows: 42,116 of the total 2000 population of 43,941 for La Plata County lived in 17,342 households.

(1) Population and number of households according to U.S. Census Bureau, Census 2000.

(2) Population projections for La Plata County by Colorado Demography Section (CDS). Population and population in households for Durango, Bayfield, Ignacio and balance of county projected based on percentage of La Plata County 2000 Population.

(3) Number of households based on number of persons per household according to U.S. Census Bureau, Census 2000: 2.43 for La Plata County, 2.23 for Durango, 2.74 for Bayfield and 2.48 for Ignacio.

**Renters desiring home ownership.** While 89 percent of current renter households would prefer to own a home, only 72 percent (3,968) have an income in excess of \$15,000, which would allow them to potentially enter the home ownership market. Of these 3,968 households, only 23 percent (913) can afford the median priced home: the remaining 3,055 households cannot afford the median priced home. Assuming that 89 percent of these households prefer to own a home, there are currently about 2,720 renter households in La Plata County who, with assistance from public policies, may be able to afford and prefer to buy a home, although these households cannot afford the median priced home. In the unlikely event that policy makers decided to attempt to satisfy all of the homeownership demand for these 2,720 renter households, Exhibit VI-3 shows the geographic allocation of demand for 2000, 2005 and 2010. If 100 percent of demand were satisfied, 3,053 new homes priced below the median priced home would be needed by 2005 and 3,385 such homes would be needed by 2010. Three alternative assumptions are used to allocate demand among the municipalities: by percentage of 2000 population; by preferred location of renter households, and by preferred location of owner households.

**Exhibit VI-3.**

**Geographic Allocation of Renter Households Desiring Home Ownership — Meet 100 Percent of Demand**

<i>Location</i>	<i>2000</i>			<i>2005</i>			<i>2010</i>		
	<i>By % of Population<sup>1</sup></i>	<i>By Renter Preferred Location<sup>2</sup></i>	<i>By Owner Preferred Location<sup>3</sup></i>	<i>By % of Population</i>	<i>By Renter Preferred Location</i>	<i>By Owner Preferred Location</i>	<i>By % of Population</i>	<i>By Renter Preferred Location</i>	<i>By Owner Preferred Location</i>
La Plata County	2,720	2,720	2,720	3,053	3,053	3,053	3,385	3,385	3,385
Durango	790	1,605	1,278	886	1,801	1,435	983	1,997	1,591
Bayfield	100	218	299	112	244	336	125	271	372
Ignacio	42	163	136	48	183	153	53	203	169
Balance of County	1,788	734	1,007	2,007	825	1,129	2,224	914	1,253

Note: Table should read as follows: 2,720 La Plata County households who cannot afford the median priced home but who may be able buy a home with assistance desire to own a home.

(1) Based on percentage of households to total La Plata County households for 2000, 2005 and 2010 (see Exhibit VI-2).

(2) Based on percentages shown in Exhibit IV-29: Durango (59 percent); Bayfield (8 percent); Ignacio (6 percent); rural La Plata County (27 percent).

(3) Based on percentages shown in Exhibit IV-11: Durango (47 percent); Bayfield (11 percent); Ignacio (5 percent); rural La Plata County (37 percent).

Exhibit VI-4 presents estimates and projections for meeting less than full demand for renter households desiring home ownership. The percentages are based on renter preferred location from Exhibit VI-3. If, for example, policy makers establish a goal to satisfy 25 percent of demand throughout the county and in each municipality, 499 new owner-occupied housing units priced at below the median home price would be needed in Durango by 2010.



**Exhibit VI-4.****Geographic Allocation of Renter Households Desiring Home Ownership —  
Meet 10 Percent, 25 Percent, 50 Percent and 75 Percent of Demand**

<i>Location</i>	<i>2000</i>				<i>2005</i>				<i>2010</i>			
	<i>10%<sup>1</sup></i>	<i>25%</i>	<i>50%</i>	<i>75%</i>	<i>10%</i>	<i>25%</i>	<i>50%</i>	<i>75%</i>	<i>10%</i>	<i>25%</i>	<i>50%</i>	<i>75%</i>
La Plata County	272	680	1,360	2,040	305	763	1,527	2,290	339	846	2,116	2,539
Durango	160	401	802	1,204	180	450	901	1,351	200	499	1,248	1,498
Bayfield	22	54	109	163	24	61	122	183	27	68	169	203
Ignacio	16	41	82	122	18	46	92	137	20	51	127	152
Balance of County	74	184	367	551	83	206	412	619	92	228	572	686

Note: Table should read as follows: 272 households represent 10 percent of 2,720 La Plata County households who cannot afford the median priced home but who may be able buy a home with assistance desire to own a home.

(1) Geographic allocation based on renter preferred location (see Exhibit VI-3).

Exhibit VI-5 presents the geographic allocation of renter households by income range based on 2000 U.S. Census data. Data are presented for five income groups so that policy makers have an opportunity to develop strategies to address the housing needs of:

- Very low income households (earning less than 50 percent of median income, including households earning less than \$15,000 who are essentially precluded from owning homes);
- Low income households (earning between 50 percent and 80 percent of median income);
- Moderate income (earning between 80 percent and 120 percent of median income); and
- Households earning between 120 percent of median income and \$55,000 (income level needed to afford the median priced home)

For each income group, the number of households and the percentage of total renter households for each geographic area are calculated in Exhibit VI-5. For example, of the 2,632 renter households in Durango, 818 (31.1 percent) had incomes of less than \$15,000 in 1999 and an additional 138 households (5.2 percent) earned between \$15,000 and 50 percent of the Durango median income of \$34,892.

**Exhibit VI-5.**  
**Number of Renter Households by Income Range**

Location	Total Renter Households <sup>1</sup>	<\$15,000		\$15,000 to 50% of Median Income <sup>2</sup>		50%-80% of Median Income		80%-120% of Median Income		120% of Median Income to \$55,000	
		#	%	#	%	#	%	#	%	#	%
La Plata County	5,485	1,517	27.6%	613	11.2%	1,259	23.0%	943	17.2%	291	5.3%
Durango	2,632	818	31.1%	138	5.2%	556	21.1%	475	18.0%	230	8.7%
Bayfield	131	27	21.0%	13	10.0%	24	18.3%	32	24.4%	12	9.2%
Ignacio	100	34	34.0%	NA <sup>3</sup>	NA	21	21.0%	20	20.0%	18	18.0%
Balance of County	2,622	638	24.3%	462	17.6%	658	25.1%	416	15.9%	31	1.1%

Note: Table should read as follows: 1,517 (27.6 percent) of 5,485 total La Plata County renter households earned less than \$15,000 in 1999.

(1) 1999 households according to U.S. Census Bureau, Census 2000.

(2) Median household income: \$40,159 (La Plata County); \$34,892 (Durango); \$39,336 (Bayfield); and \$27,917 (Ignacio).

(3) 50 percent median income for Ignacio is \$13,959.

Applying the percentages from Exhibit VI-5, Exhibit VI-6 allocates renter households desiring home ownership by four income groups and by geographic area. Households earning less than \$15,000 are omitted because home ownership is considered to be unattainable. Thus, if demand for all 1,605 Durango renter households desiring home ownership (excluding those earning less than \$15,000) were satisfied, the price of a home should be made affordable for 83 households earning between \$15,000 and 50 percent of median income; 339 households earning between 50 percent and 80 percent of median income; 289 households earning between 80 percent and 120 percent of median income; and 140 households earning between 120 percent of median income and \$55,000. Given that policy makers would be unlikely to attempt to satisfy 100 percent of this latent demand for home ownership, it may be appropriate to downscale these numbers to provide less than full demand, as indicated in Exhibit VI-4.

**Exhibit VI-6.**  
**Allocation of Renter Households Desiring Home Ownership by Income — 2000**

Location	Renter Households <sup>2</sup>	\$15,000 to 50% of Median Income	50%-80% of Median Income	80%-120% of Median Income	120% of Median Income to \$55,000
Durango	1,605	83	339	289	140
Bayfield	218	22	40	53	20
Ignacio	163	NA <sup>3</sup>	34	33	29
Rural La Plata County	734	178	184	117	8

Note: Table should read as follows: 83 of 1,605 Durango renter households who desire home ownership earned between \$15,000 and the 2000 median household income.

(1) Allocations by income based on percentages indicated in Exhibit VI-5.

(2) Allocations by location based on renter preferred location (see Exhibit VI-3).

(3) 50 percent median income for Ignacio is \$13,959.

Exhibits VI-7 and VI-8 project the data in Exhibit VI-5 for years 2005 and 2010, respectively.

#### Exhibit VI-7.

##### Allocation of Renter Households Desiring Home Ownership by Income — 2005

<i>Location</i>	<i>Renter Households<sup>2</sup></i>	<i>\$15,000 to 50% of Median Income</i>	<i>50%-80% of Median Income</i>	<i>80%-120% of Median Income</i>	<i>120% of Median Income to \$55,000</i>
Durango	1,801	94	380	324	157
Bayfield	244	24	45	60	22
Ignacio	183	NA <sup>3</sup>	38	37	33
Rural La Plata County	825	145	207	131	9

Note: Table should read as follows: 94 of 1,801 Durango renter households who desire home ownership are expected to earn between \$15,000 and the median household income in 2005.

(1) Allocations by income based on percentages indicated in Exhibit VI-5.

(2) Allocations by location based on renter preferred location (see Exhibit VI-3).

(3) 50 percent median income for Ignacio is \$13,959.

#### Exhibit VI-8.

##### Allocation of Renter Households Desiring Home Ownership by Income — 2010

<i>Location</i>	<i>Renter Households<sup>2</sup></i>	<i>\$15,000 to 50% of Median Income</i>	<i>50%-80% of Median Income</i>	<i>80%-120% of Median Income</i>	<i>120% of Median Income to \$55,000</i>
Durango	1,997	104	421	359	174
Bayfield	271	27	50	66	25
Ignacio	203	NA <sup>3</sup>	43	41	37
Rural La Plata County	914	161	229	145	10

Note: Table should read as follows: 104 of 1,997 Durango renter households who desire home ownership are expected to earn between \$15,000 and the median household income in 2010.

(1) Allocations by income based on percentages indicated in Exhibit VI-5.

(2) Allocations by location based on renter preferred location (see Exhibit VI-3).

(3) 50 percent median income for Ignacio is \$13,959.

Exhibit VI-9 allocates renter households desiring home ownership by type of housing, based on preferences indicated by the 2002 La Plata County Resident Survey. Thus, if demand for all Durango renter households desiring home ownership were satisfied, 1,558 single family homes, 140 condominiums/townhouses and 180 manufactured/mobile homes would be needed by 2010. Given that policy makers would be unlikely to attempt to satisfy 100 percent of this latent demand for home ownership, it may be appropriate to downscale these numbers to provide less than full demand, as indicated in Exhibit VI-4.

**Exhibit VI-9.****Allocation of Renter Households Desiring Home Ownership by Type of Housing<sup>1</sup>**

<i>Location<sup>2</sup></i>	<i>2000</i>			<i>2005</i>			<i>2010</i>		
	<i>Single Family</i>	<i>Condo/Town-house</i>	<i>Manufactured/Mobile Home</i>	<i>Single Family</i>	<i>Condo/Town house</i>	<i>Manufactured/Mobile Home</i>	<i>Single Family</i>	<i>Condo/Town house</i>	<i>Manufactured/Mobile Home</i>
La Plata County	2,122	190	245	2,381	214	275	2,640	237	305
Durango	1,252	112	144	1,405	126	162	1,558	140	180
Bayfield	170	15	20	190	17	22	211	19	24
Ignacio	127	11	15	142	13	16	158	14	18
Rural La Plata County	573	52	66	644	58	75	713	64	83

Note: Table should read as follows: In 2000, 2,122 La Plata County renter households desiring home ownership preferred to own a single family house.

(1) Based on renters preferred housing type: single family (78 percent), condo/townhouse (7 percent) and manufactured home/mobile home (9 percent). See Exhibit IV-27.

(2) Allocations by location based on renter preferred location (see Exhibit VI-3).

Exhibit VI-10 on the following page allocates renter households desiring home ownership by preferred house size (number of bedrooms) based on preferences indicated by the 2002 La Plata County Resident Survey. Thus, if demand for all Durango renter households desiring home ownership were satisfied, 80 one-bedroom units, 539 two-bedroom units, 919 three-bedroom units, 379 four-bedroom units and 80 units with five or more bedrooms would be needed by 2010. Given that policy makers would be unlikely to attempt to satisfy 100 percent of this latent demand for home ownership, it may be appropriate to downscale these numbers to provide less than full demand, as indicated in Exhibit VI-4.

**Exhibit VI-10.**

**Allocation of Renter Households Desiring Home Ownership by Preferred House Size**

<i>Location</i>	<i>2000</i>						<i>2005</i>						<i>2010</i>					
	<i>Total HH<sup>1</sup></i>	<i>1 BR<sup>2</sup></i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>	<i>5+ BR</i>	<i>Total HH<sup>1</sup></i>	<i>1 BR<sup>2</sup></i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>	<i>5+ BR</i>	<i>Total HH<sup>1</sup></i>	<i>1 BR<sup>2</sup></i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>	<i>5+ BR</i>
La Plata County	2,720	109	734	1,251	517	109	3,053	122	824	1,404	580	122	3,385	135	914	1,557	643	135
Durango	1,605	64	433	738	305	64	1,801	72	486	828	342	72	1,997	80	539	919	379	80
Bayfield	218	9	59	100	41	9	244	10	66	112	46	10	271	11	73	125	51	11
Ignacio	163	7	44	75	31	7	183	7	49	84	35	7	203	8	55	93	39	8
Balance of County	734	29	198	338	139	29	825	33	223	380	157	33	914	37	247	420	174	37

Note: Table should read as follows: In 2000, 109 La Plata County renter households desiring home ownership preferred to own a home with one bedroom.

(1) Geographic allocation based on renter preferred location (see Exhibit VI-3).

(2) Allocation by size based on renter's preferred house size: 1 Bedroom (4 percent); 2 BR (27 percent); 3 BR (46 percent); 4 BR (19 percent); 5+ BR (4 percent). See Exhibit IV-31.

Exhibit VI-11 indicates affordable home price by renter household income and location. The median renter household income is well below total household income for each location. For example, the median renter household income for Durango, according to the 2000 U.S. Census, was only 65 percent of total household income (\$22,579 compared to \$34,892). Low renter household incomes present special challenges for such households who desire home ownership as well as for policy makers who attempt to assist such households to achieve their housing goals. The data in Exhibit VI-11 indicate that the affordable price of a home, even for renter households earning 120 percent of median renter household income, is well below the La Plata County median home price of \$183,000.

City and County staff believe that the data suggest that a housing strategy designed to provide opportunities for first time home buyers may have to rely heavily on the manufactured home market. According to local builders who were interviewed, the cost of a conventional single-family house is about \$100 per square foot. Thus, a modest, market-priced 1,200 square foot house would cost \$120,000, without land, site development costs and sewer and water plant investment fees. Average prices for manufactured and modular homes, according to local manufactured home dealers who were interviewed, are much lower than conventional, market-priced housing. Commonly referred to as mobile homes, manufactured housing built after 1976 is subject to the U.S. Department of Housing and Urban Development (HUD) code. Modular housing is subject to the Uniform Building Code, as is conventional housing. Average local prices for new manufactured and modular homes are as follows:

■ 960 square foot mobile home	\$35,000
■ 1,280 square foot mobile home	\$50,000
■ 1,600 square foot (doublewide) mobile home	\$70,000
■ 2,800 square foot (doublewide) mobile home	\$100,000
■ 1,200 square foot modular	\$60,000
■ 1,600 square foot modular	\$80,000
■ 2,800 square foot modular	\$110,000

The above prices do not include foundations, which range from about \$5,000 to \$10,000 or water well and septic system, if the home site is located in a rural area.

**Exhibit VI-11.****Affordable Home Price by Renter Household Income and Location**

Location	Affordable Home Price By Renter Income								
	Affordable Price for \$15,000 Income	50% of Median Renter Income		80% of Median Renter Income		Median Renter Income <sup>1</sup>		120% of Median Renter Income	
		Income	Affordable Price <sup>3</sup>	Income	Affordable Price	Income	Affordable Price	Income	Affordable Price
La Plata County	\$47,347	NA <sup>2</sup>	NA	\$20,258	\$63,942	\$25,323	\$79,930	\$30,388	\$95,917
Durango	\$47,347	NA	NA	\$18,063	\$57,014	\$22,579	\$71,268	\$27,095	\$85,523
Bayfield	\$47,347	\$16,042	\$50,635	\$25,666	\$81,012	\$32,083	\$101,267	\$38,500	\$121,521
Ignacio	\$47,347	NA	NA	\$16,500	\$52,081	\$20,625	\$65,101	\$24,750	\$78,121

Note: Table should read as follows: The affordable home price for a renter household earning \$20,258 is \$63,942.

(1) Source for median renter income: U.S. Census Bureau, Census 2000.

(2) Income below \$15,000 is not adequate for home ownership (source: BBC Research & Consulting).

(3) Assumes 5 percent down payment, 7 percent interest rate and 30 year term (source: BBC Research & Consulting).

**Renter household needs.** The previous section attempts to quantify the housing needs of renter households who desire home ownership and, with public policies designed to assist such households, may be able to afford to buy a home. This section recognizes that, given the large gap between the median home price and the price most renter households can afford, many renter households will remain in the rental market. Exhibits VI-4 and VI-6 through VI-10 can also be used to estimate the number of rental units needed. Prudent public policy would probably call for a mix of rental and owner units, with numerical targets for new units determined by available resources of local housing advocacy organizations.

Two additional exhibits are presented below to address the housing needs of renter households who will remain in the rental market. Exhibit VI-12, derived from Exhibit VI-11, indicates the affordable monthly rent by income range and location. Figures for affordable rent indicate the degree of assistance or rent subsidy that would be required. For example, a household earning the median Durango renter household income of \$22,579 can afford a monthly rent of only \$452, well below the median rent of \$714.

**Exhibit VI-12.****Affordable Rental Cost by Renter Household Income and Location**

<i>Location</i>	<i>Affordable Rental Cost By Renter Income</i>							
	<i>50% of Median Renter Income</i>		<i>80% of Median Renter Income</i>		<i>Median Renter Income<sup>1</sup></i>		<i>120% of Median Renter Income</i>	
	<i>Income</i>	<i>Affordable Rent<sup>2</sup></i>	<i>Income</i>	<i>Affordable Rent</i>	<i>Income</i>	<i>Affordable Rent</i>	<i>Income</i>	<i>Affordable Rent</i>
La Plata County	\$12,662	\$253	\$20,258	\$405	\$25,323	\$506	\$30,388	\$608
Durango	\$11,290	\$226	\$18,063	\$361	\$22,579	\$452	\$27,095	\$542
Bayfield	\$16,042	\$321	\$25,666	\$513	\$32,083	\$642	\$38,500	\$770
Ignacio	\$10,313	\$206	\$16,500	\$330	\$20,625	\$413	\$24,750	\$495

Note: Table should read as follows: The affordable monthly rental cost for a renter household earning \$12,662 is \$253.

(1) Source for median renter income: U.S. Census Bureau, Census 2000.

(2) Affordable monthly rent based on 2 percent of annual income.

Exhibit VI-13 on the following page addresses the needs of very low income renter households who earn less than \$15,000 and will most likely remain in the rental market. For 2000, 2005 and 2010, Exhibit VI-13 shows the number of renter households who may need housing assistance if policy makers establish goals to meet 10 percent, 25 percent, 50 percent, 75 percent or 100 percent of need. For example, if policy makers set a goal to build enough housing for 25 percent of Durango households earning less than \$15,000 per year, 255 rental housing units will be needed for this population by 2010.



**Exhibit VI-13.**

**Allocation of Renter Households Earning Less than \$15,000 —  
Meet 10 percent, 25 percent, 50 percent, 75 percent and 100 percent of Need**

<i>Location<sup>1</sup></i>	<i>2000</i>					<i>2005</i>					<i>2010</i>				
	<i>10%</i>	<i>25%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>10%</i>	<i>25%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>10%</i>	<i>25%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>
La Plata County	152	379	759	1,138	1,517	170	426	852	1,277	1,703	189	472	944	1,416	1,888
Durango	82	205	409	614	818	92	230	459	689	918	102	255	509	764	1,018
Bayfield	3	7	14	20	27	3	8	15	23	30	3	9	17	26	34
Ignacio	3	9	17	26	34	4	10	19	29	38	4	11	21	32	42
Balance of County	64	158	319	479	638	71	178	359	536	717	80	197	397	594	794

Note: Table should read as follows: 152 households represent 10 percent of 1,517 La Plata County households who earn less than \$15,000.

(1) Geographic allocation based on allocation by renter preferred location (see Exhibit VI-3). 100 percent of need for 2000. Based on U.S. Census Bureau, Census 2000. Increases for 2005 and 2010 based on household percent increases in Exhibit VI-2.

**Senior households.** With the approaching retirement of “baby boomers”, housing for seniors will become an increasingly important public policy issue. As indicated in Exhibit VI-14, about 33 percent of all senior households in La Plata County earned 50 percent or less of the median household income in 2000. About 52 percent earned 80 percent or less of the median household income. While housing costs for some senior households who own homes may be relatively low because mortgages have been paid-off, some of these households and others may eventually seek smaller units with less maintenance. Policy makers can use the allocations by income range and location in Exhibit VI-14 to establish goals for meeting a portion of the potential housing needs of lower income senior households.

**Exhibit VI-14.**  
**Senior Households by Income — 2000**

<i>Location</i>	<i>Total Senior Households<sup>1</sup></i>	<i>&lt; \$15,000</i>	<i>\$15,000 to 50% of Median Income</i>	<i>50%-80% of Median Income</i>	<i>80%-120% of Median Income</i>
La Plata County	2,712	645	272	481	480
Durango	989	271	44	193	184
Bayfield	87	23	13	27	19
Ignacio	77	25	NA <sup>2</sup>	13	3
Balance of County	1,559	326	215	248	274

Note: Table should read as follows: 645 senior households in La Plata County earned less than \$15,000 in 2000.

(1) Based on U.S. Census Bureau, 2000 sample data.

(2) 50 percent median income for Ignacio is \$13,959.

Exhibits VI-15 and VI-16 provide projections for 2005 and 2010 for number of senior households allocated by income range and location.

**Exhibit VI-15.**  
**Senior Households by Income — 2005**

<i>Location</i>	<i>Total Senior Households<sup>1</sup></i>	<i>&lt; \$15,000</i>	<i>\$15,000 to 50% of Median Income</i>	<i>50%-80% of Median Income</i>	<i>80%-120% of Median Income</i>
La Plata County	3,044	724	305	540	539
Durango	1,110	304	49	217	207
Bayfield	98	26	15	30	21
Ignacio	86	28	NA <sup>2</sup>	15	3
Balance of County	1,750	366	241	278	308

Note: Table should read as follows: 724 senior households in La Plata County are projected to earn less than \$15,000 in 2005.

(1) Based on U.S. Census Bureau, 2000 sample data. Increase over 2000 data based on percentage increase in households (see Exhibit VI-2).

(2) 50 percent median income for Ignacio is \$13,959.

**Exhibit VI-16.**  
**Senior Households by Income — 2010**

<i>Location</i>	<i>Total Senior Households<sup>1</sup></i>	<i>&lt; \$15,000</i>	<i>\$15,000 to 50% of Median Income</i>	<i>50%-80% of Median Income</i>	<i>80%-120% of Median Income</i>
La Plata County	3,375	803	338	599	597
Durango	1,231	337	55	240	229
Bayfield	108	29	16	34	24
Ignacio	96	31	NA <sup>2</sup>	16	4
Balance of County	1,940	406	267	309	340

Note: Table should read as follows: 803 senior households in La Plata County are projected to earn less than \$15,000 in 2010.

(1) Based on U.S. Census Bureau, 2000 sample data. Increase over 2000 data based on percentage increase in households (see Exhibit VI-2).

(2) 50 percent median income for Ignacio is \$13,959.

Exhibit VI-17 presents data for 2000 and projections for 2005 and 2010 for number of senior households by size of household by location. A significant percentage of senior households consist of only one person. In 2000, about 36 percent of owner households and about 68 percent of renter households in La Plata County consisted of one person. This data suggests that there may be a large latent demand for “granny flats” or other small units with one or two bedrooms.

**Exhibit VI-17.**  
**Senior Households by Size of Household<sup>1</sup>**

<i>Location</i>	<i>2000</i>				<i>2005</i>				<i>2010</i>			
	<i>Owner HH</i>		<i>Renter HH</i>		<i>Owner HH</i>		<i>Renter HH</i>		<i>Owner HH</i>		<i>Renter HH</i>	
	<i>1 Person</i>	<i>2 or More</i>	<i>1 Person</i>	<i>2 or More</i>	<i>1 Person</i>	<i>2 or More</i>	<i>1 Person</i>	<i>2 or More</i>	<i>1 Person</i>	<i>2 or More</i>	<i>1 Person</i>	<i>2 or More</i>
La Plata County	815	1,439	303	140	915	1,615	340	157	1,014	1,791	377	174
Durango	335	368	163	64	376	413	183	72	417	458	203	80
Bayfield	33	41	2	3	37	46	2	3	41	51	2	4
Ignacio	28	35	10	9	31	39	11	10	35	44	12	11
Balance of County	419	995	128	64	470	1,117	144	72	521	1,238	159	80

Note: Table should read as follows: 815 senior owner-occupied households consisted of one person in 2000.

(1) Based on U.S. Census Bureau, 2000 sample data. Increase over 2000 data for 2005 and 2010 based on percentage increase in households (see Exhibit VI-2).

**Households with children.** Households with children tend to need larger homes with three or more bedrooms. In attempting to meet the needs of such households that are cost-burdened, policy makers may choose to apply the income range data indicated in Exhibit VI-5 to Exhibits VI-18 and VI-19.

Exhibit VI-18 shows the allocation of La Plata County households with children by type of housing for 2000 and projections for 2005 and 2010. Most such households (74 percent) live in single-family homes.

**Exhibit VI-18.****Type of Housing by Households with Children, La Plata County, 2000, 2005 and 2010**

<i>Year</i>	<i>Total Households With Children<sup>1</sup></i>	<i>Single Family<sup>2</sup></i>	<i>Manufactured Home on Foundation</i>	<i>Mobile Home</i>	<i>Townhouse</i>	<i>Condominium</i>	<i>Apartment</i>	<i>Duplex/Triplex</i>
2000	5,029	3,721	553	503	101	50	101	101
2005	5,645	4,177	621	565	113	56	113	113
2010	6,258	4,631	688	626	125	63	125	125

Note: Table should read as follows: 3,721 La Plata County households with children lived in single family homes in 2000.

(1) See Exhibit III-6 and VI-1.

(2) Allocation of housing types based on La Plata County Residence Survey: single family (74 percent); manufactured home on foundation (11 percent); mobile home (10 percent); townhouse (2 percent); condominium (1 percent); apartment (2 percent) and duplex/triplex (2 percent). See Exhibit III-6. Increase over 2000 data based on percentage increase in households (see Exhibit VI-2).

Exhibit VI-19 shows the allocation of La Plata County households with children by size of housing as indicated by number of bedrooms and projections for 2005 and 2010. Most such households (85 percent) live in homes with three or four bedrooms.

**Exhibit VI-19.****Size of Housing by Households with Children, La Plata County, 2000, 2005 and 2010**

<i>Year</i>	<i>Total Households With Children<sup>1</sup></i>	<i>2 Bedrooms<sup>2</sup></i>	<i>3 Bedrooms</i>	<i>4 Bedrooms</i>	<i>5+ Bedrooms</i>
2000	5,029	101	1,559	2,716	603
2005	5,645	113	1,750	3,048	677
2010	6,258	125	1,940	3,379	751

Note: Table should read as follows: 101 La Plata County households with children lived in homes with two bedrooms in 2000.

(1) See Exhibit VI-1.

(2) Allocation of housing sizes based on La Plata County Residence Survey: 2 bedrooms (2 percent); 3 bedrooms (31 percent); 4 bedrooms (54 percent) and 5+ bedrooms (12 percent). See Exhibit III-14. Increase over 2000 data based on percentage increase in households (see Exhibit VI-2).

Exhibit VI-20 shows the number of families by location below the poverty level, with projections for 2005 and 2010. When establishing goals to address the housing needs of this population, policy makers should probably attempt to meet targets with rental units rather than owner-occupied units.

**Exhibit VI-20.****Families below Poverty Level, La Plata County, 2000, 2005 and 2010**

<i>Location</i>	<i>2000<sup>1</sup></i>	<i>2005</i>	<i>2010</i>
La Plata County	728	817	906
Durango	196	220	244
Bayfield	12	13	15
Ignacio	31	35	39
Rural La Plata County	489	549	608

Note: Table should read as follows: 728 La Plata County households with children had incomes below the poverty level in 2000.

(1) Based on U.S. Census Bureau, 2000 sample data. Increase over 2000 data based on percentage increase in households (see Exhibit VI-3).

## Recommendations

The major housing issues in La Plata County and Durango relate to affordability and the ability to purchase a first home. These problems are driven by the structure of the current housing market and the relationship between demand and supply. As long as some buyers are able and willing to pay escalating prices, it will be difficult for buyers with lower incomes to afford their current housing or buy a home. Policymakers will have difficulty making fundamental changes to the housing market. However, potential approaches to removing the barriers and/or reducing the costs of affordable housing were suggested and supported by individuals interviewed in this study. Many of these approaches have been effective elsewhere in addressing the need for affordable housing.

**Minimization of land costs.** In a review of the cost components of home construction, as well as in discussions with knowledgeable individuals, it quickly became apparent that high land costs (particularly in the Durango area) are a major hurdle for affordable housing. To address this issue, other communities have adopted strategies to reduce non-land costs so that affordable development can still proceed. Another, more aggressive option is land banking. In this scenario, a municipality negotiates the voluntary sale of existing properties in target areas using county and city funds. It is also possible for local governments to purchase options on parcels that could eventually be developed as affordable housing. Although this does not secure the land in perpetuity, it typically requires less funds than an outright sale.

**Local government incentives.** Developers often mention government fees and restrictions as being a barrier to affordable housing. In the Durango/La Plata County study, this was true as well. There are two general means by which local government agencies can help to encourage the development of affordable housing by reducing the costs to the developer. User fees and charges, such as building permit fees, planning fees and inspection fees, can sometimes be waived, reduced or subsidized. Also, zoning regulations, such as maximum unit density, minimum setbacks as well as public improvement requirements can be revised to permit lower cost alternatives.

**Education and public involvement.** Another common barrier to affordable housing is lack of information about what “affordable housing” really means, and a resulting knee-jerk reaction against any potential lower-cost housing developments. However, there was some evidence that NIMBYism in La Plata County is diminishing as educational efforts and outreach have been stepped up.

The city’s 1996 Affordable Housing Report recommended, “Provide public education about the need for affordable housing specific to the incomes and housing costs of your community. As it becomes clear that affordable housing affects the entire community as well as lower and middle income people, it is more likely that affordable housing will be viewed as a community goal, rather than a need limited to ‘poor’ people.” This recommendation still stands.<sup>1</sup>

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<sup>1</sup> An example of an effective social marketing campaign is one implemented by a southwestern Colorado community in which regular citizens of the community, such as a checker at Albertson’s and a secretary at a local school, recorded radio announcements communicating their experiences. A similar approach could be used by Durango and La Plata County to communicate that “average people” are in need of affordable housing.

Involvement in the affordable housing process should not be limited to government agencies and service providers. The process should involve others who are impacted by potential changes in zoning and land use for affordable housing. Neighborhood groups, developers, low income housing advocates, and local government should all be included.

**Coordination/cooperation/leadership.** There was unanimous agreement among interviewees that, to successfully address the need for additional affordable housing in the Durango/La Plata County area, coordination and collaboration is needed among a variety of agencies. Equally as important is the need for strong leadership in tackling this issue.

The La Plata County Summit is one potential venue for examining and discussing progress on affordable housing in a cooperative environment. In fact, based on the La Plata County 2001 Summit, an Affordable Housing Task Force for La Plata County has been organized. The Task Force aims to “consist of existing agencies to increase the effectiveness, communication, coordination, and collaboration among providers of housing and to create specific strategies for workforce housing using the current needs assessment data.”

A number of interviewees also suggested that there is need for a local housing authority. It was viewed that a housing authority might be a natural champion and a dedicated advocate for affordable housing in La Plata County. The authority could also potentially apply for Federal and State affordable housing development funds. As a leadership entity, a housing authority might be one step removed from the politicism that, as one interviewee suggested, “slows down local jurisdictions so much they end up having to compromise things down to where it’s a bad idea.” On the other hand, there was some skepticism expressed that a housing authority could accomplish anything more than existing organizations do.

**Infrastructure financing and expediting.** Interviewees mentioned that the provision of infrastructure was another barrier to affordable housing development. The city’s 1996 Housing Affordability Report stated, “If public or community water and sewer systems are not extended to unserved areas, or if new service systems for such areas are not developed, it is unlikely that the need for higher density and therefore lower cost housing will be adequately met. Among the greatest planning and growth management challenges for the area is determining the service areas for existing systems, assessing whether there is sufficient capacity to address the need for higher density affordable housing as well as other community development needs, and planning for the creation of new service districts if necessary.” This is still true today.

**Planning.** Another frequently-mentioned approach was to plan for cluster development, as opposed to scattered site development. The 1996 Affordable Housing Report discussed this scenario. “In a clustered housing development the housing is usually concentrated on one area of a land parcel rather than spreading the units out over the entire parcel as is typically done in housing subdivisions. By having the houses closer together, the per-unit cost of streets, sidewalks, water, sewer and other utilities can usually be reduced. At the same time, the remaining open space is generally more useable and urban sprawl is minimized.”

**Inclusionary zoning.** Interviewees mentioned that inclusionary zoning could potentially be another strategy for introducing more affordable housing into the area. Inclusionary zoning mandates that a percentage of units in new developments over a certain size are required to be affordable to lower income households. In lieu of developed units, payments can sometimes be made which are used to finance the construction of affordable housing elsewhere in the community.

**Linkage.** Several interviewees mentioned linkage as another potential strategy. With linkage, new developments that create a need for affordable housing are required to construct or rehabilitate such housing units or pay a fee into a housing development fund. For example, Pitkin County, Colorado has a new linkage requirement for large, second home developments based on the estimated number of lower income service workers (e.g., lawn care, housekeeping, etc.) generated by each new unit.

**Manufactured housing.** Many interviewees suggested that, despite generally negative perceptions about “trailer parks,” manufactured homes may be an affordable alternative for the first time home buyer. The city and county should carefully monitor the continued viability of this strategy as State law pertaining to manufactured home developments has recently changed.

**Rental survey.** As mentioned in the 1996 Affordable Housing Report, encourage participation in the Colorado Division of Housing multifamily rental housing survey. Through this survey, rental market conditions can be continually assessed.

## APPENDIX A.

### List of Interviewees

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## APPENDIX A.

### List of Interviewees

<i>Contact Name</i>	<i>Title</i>	<i>Organization</i>
Millissa Berry	Planner	City of Durango
Bill Bolden	Director of Student Housing	Fort Lewis College
Brett Boyer	Town Manager	Bayfield Town Manager
Sheila Casey	Director of Senior Services	La Plata County
Joe Crain	Director of Planning	La Plata County
R. Bradley Elder	General Manager	Willow Brook Homes
Ray Finney	Executive Director	Colorado Housing Incorporated
John C. Gamble	Mayor Pro Tem	City of Durango
Carrie Griffin	Assistant	Durango Area Association of Realtors
Jim Hards	VP of Real Estate	Durango Mountain Resort
Gregory S. Hoch	Director of Planning	City of Durango
Mary Johnson	Residential Program Coordinator	Southwest Mental Health
Mary Kennedy	Property Manager	Mercy Housing Southwest
Laura Lewis	Executive Director	Operation Healthy Communities
Robert Lieb	La Plata County Commissioner	La Plata County
Bill Mashaw	Executive Director	Community Development Corporation
Daniel Money	President of the Board	Habitat for Humanity
Anita Moseman	Manager	Durango Housing Corporation
Pat Senecal	Assistant Town Manager	Ignacio Town Manager Assistant
Steve Short	President	1st National Bank
Sandra Tischafer	President	AREM Property Management
K. Kay Ulwelling	Executive Director	Habitat for Humanity of La Plata County
Terry Wheeler	Executive Director	Southwest Community Resources

Source: BBC Research & Consulting.

## APPENDIX B.

### Resident Survey Instrument

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August 6, 2002

To Durango/Bayfield/Ignacio/La Plata County Residents:

La Plata County and the City of Durango are conducting a research study of the housing needs of local residents. BBC Research & Consulting (BBC), a consulting firm with expertise in the areas of housing and community development, has been hired to help the County and City with the study.

This study will provide current and important information about housing needs in La Plata County. For example, the study will determine the affordability and condition of housing and examine the types of housing that residents prefer. The better information we get, the better we will know what solutions to advance to help resolve the County's affordable housing crisis.

Please fill out the survey questionnaire and return it in the enclosed postage-paid envelope by **September 27**. Your completed survey is confidential and will be retained by BBC. Your answers will be presented along with hundreds of other survey respondents. BBC staff will prepare overall survey results and present those to the City and County in a written report. The report will be available to the public upon request.

Thank you in advance for taking time to share your opinions. If you have any questions about this survey, please feel free to call Corina Wohlers of BBC at 1-800-748-3222, extension 249. You may also contact Millissa Berry at the City of Durango at 970-385-2890.

Sincerely,

Fred Klatt, Chair  
Board of County Commissioners

John Gamble, Mayor  
City of Durango

Enclosure

# LA PLATA COUNTY RESIDENT SURVEY

## Your Housing

NOTE: "Home" in this survey refers to your current primary place of residence in La Plata County, and can refer to a house, town home, condominium, apartment, etc.

1. Where is your home located?
 

<input type="checkbox"/> Durango	<input type="checkbox"/> Ignacio
<input type="checkbox"/> Bayfield	<input type="checkbox"/> Elsewhere in La Plata County
  
2. Do you live in this location all year?
 

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------
  
3. Check the description that best describes the place in which you currently live:
 

<input type="checkbox"/> Single-family, detached house	<input type="checkbox"/> Manufactured house on permanent foundation
<input type="checkbox"/> Town house	<input type="checkbox"/> Apartment (1 to 4 units/building)
<input type="checkbox"/> Condominium	<input type="checkbox"/> Apartment (5 to 12 units/building)
<input type="checkbox"/> Rooming house/boarding house	<input type="checkbox"/> Apartment (13 or more units/building)
<input type="checkbox"/> Mobile home/trailer	<input type="checkbox"/> Other (Please describe) _____
<input type="checkbox"/> Duplex/triplex	
  
4. How many bedrooms are in your home?
 

<input type="checkbox"/> 0 bedrooms	<input type="checkbox"/> 3 bedrooms
<input type="checkbox"/> 1 bedroom	<input type="checkbox"/> 4 bedrooms
<input type="checkbox"/> 2 bedrooms	<input type="checkbox"/> 5 or more bedrooms
  
5. How many bathrooms are in your home? (Count each toilet as one bathroom.)
 

<input type="checkbox"/> 0 bathrooms	<input type="checkbox"/> 3 bathrooms
<input type="checkbox"/> 1 bathroom	<input type="checkbox"/> 4 bathrooms
<input type="checkbox"/> 2 bathrooms	<input type="checkbox"/> 5 or more bathrooms
  
6. How long have you lived in your current home?
 

<input type="checkbox"/> Less than 6 months	<input type="checkbox"/> 1 to 2 years	<input type="checkbox"/> 5 years or more
<input type="checkbox"/> 6 months to 1 year	<input type="checkbox"/> 3 to 4 years	
  
7. Think about how much your household earns per month (before taxes, health insurance deductions, etc.). What percentage of your households' earnings do you pay in rent/mortgage?
 

<input type="checkbox"/> Less than 30 percent	<input type="checkbox"/> More than 50 percent
<input type="checkbox"/> More than 30 percent but less than 50 percent	<input type="checkbox"/> House paid for, no mortgage
  
8. What is your monthly rent or mortgage payment?
 

<input type="checkbox"/> Less than \$300	<input type="checkbox"/> \$900 to \$1,199	<input type="checkbox"/> No cash rent
<input type="checkbox"/> \$300 to \$499	<input type="checkbox"/> \$1,200 to \$1,499	<input type="checkbox"/> House paid for, no mortgage
<input type="checkbox"/> \$500 to \$699	<input type="checkbox"/> \$1,500 to \$1,999	
<input type="checkbox"/> \$700 to \$899	<input type="checkbox"/> \$2,000 or more	
  
9. What is your average monthly bill for all utilities? [This includes electric, gas, water & sewer. Include only utilities that you pay directly, do NOT include the cost of utilities included with your rent.]
 

<input type="checkbox"/> Less than \$25	<input type="checkbox"/> \$75 to \$99	<input type="checkbox"/> \$150 to \$174	<input type="checkbox"/> \$250 to \$299	<input type="checkbox"/> \$400 to \$449
<input type="checkbox"/> \$25 to \$49	<input type="checkbox"/> \$100 to \$124	<input type="checkbox"/> \$175 to \$199	<input type="checkbox"/> \$300 to \$349	<input type="checkbox"/> \$450 to \$499
<input type="checkbox"/> \$50 to \$74	<input type="checkbox"/> \$125 to \$149	<input type="checkbox"/> \$200 to \$249	<input type="checkbox"/> \$350 to \$399	<input type="checkbox"/> \$500 or more

10. Thinking about your current home, in general are you:

- ☐ Very satisfied                      ☐ Dissatisfied  
☐ Satisfied                              ☐ Very dissatisfied

10a. If you are not satisfied with your current home, please check the reasons. (Check all that apply.)

- ☐ Rent/ mortgage is too expensive                      ☐ Too small  
☐ Too expensive to maintain                              ☐ Not in desired town/location  
☐ Safety of location    ☐ Dissatisfied with nearby schools  
☐ Convenience of location                                      ☐ Commute to work is too long  
☐ Limited amenities (specify) \_\_\_\_\_  
☐ Poor condition (specify) \_\_\_\_\_  
☐ Other (specify) \_\_\_\_\_

11. Are you satisfied with the location of your home with respect to where it is in the County?

- ☐ Yes                      ☐ No

11a. If you are not satisfied with the location of your home, where would you rather live?

- ☐ Durango                              ☐ Bayfield  
☐ Ignacio                                ☐ Elsewhere in La Plata County  
☐ Stay in my same community, but move to a different neighborhood  
☐ Outside La Plata County

### *Trade-off Questions*

The following questions present a series of trade-offs. Even though both choices may sound desirable, please pick only ONE choice. Even if you are already happy with your housing situation, pick the one that is most desirable to you.

**Would you rather:**

12. ☐ Live in your desired location    OR    ☐ Own your own home
13. ☐ Purchase a \$200,000 single-family home    OR    ☐ Purchase a \$150,000 condominium or town home
14. ☐ Live close to where you work    OR    ☐ Have a beautiful view from your home
15. ☐ Have a big yard for your home    OR    ☐ Have extra storage in your home
16. ☐ Have one more bedroom    OR    ☐ Have one more bathroom
17. ☐ Have a larger home    OR    ☐ Reduce the cost of your mortgage/rent
18. ☐ Live near desired schools    OR    ☐ Live close to where you work
19. ☐ Reduce the cost of your mortgage/rent    OR    ☐ Live close to where you work
20. ☐ Live in your desired location    OR    ☐ Have a larger home
21. ☐ Live in an older home    OR    ☐ Live in a brand new home
22. ☐ Have a larger home    OR    ☐ Live close to where you work
23. ☐ Live in your desired location    OR    ☐ Reduce the cost of your mortgage/rent
24. ☐ Live close to where you work    OR    ☐ Own your own home

**(continued on the next page)**

*page 2*

25. Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category?

Own versus rent

☐ Own      ☐ Rent

Type of home

- ☐ Single-family home  
☐ Condominium/town home  
☐ Mobile home  
☐ Manufactured home  
☐ Duplex/triplex  
☐ Apartment

Location of home

- ☐ Durango  
☐ Bayfield  
☐ Ignacio  
☐ Rural La Plata County

# of Bedrooms

# of Bathrooms

- 25a. What do you think is a reasonable and fair price to pay to purchase or rent that home?

Monthly rent: \$\_\_\_\_\_

Purchase price: \$\_\_\_\_\_

26. Do you want to move from your current home?

☐ Yes    ☐ No

26a. If you do want to move, why?\_\_\_\_\_

27. Do you have plans to move?

☐ Yes    ☐ No

27a. If you do have plans to move, where are you moving, when are you planning to move, and why are you planning to move?\_\_\_\_\_

28. Do you own or rent your current home?

☐ Own    ☐ Rent

If you own your home, please go to Question 29. If you rent your home, please skip to Question 33.

*Homeowners, Please Answer These Questions*

29. When was your house built?  
☐ 1990 to 2002    ☐ 1970 to 1979    ☐ 1950 to 1959    ☐ 1939 or earlier  
☐ 1980 to 1989    ☐ 1960 to 1969    ☐ 1940 to 1949
30. What is the approximate value of your house if you were to sell it today? \$ \_\_\_\_\_
31. Please check how much you have spent on home repairs over the past five years. (Include necessary repairs only. Exclude improvements such as remodeling, decks and other additions).  
☐ \$0 to \$999                      ☐ \$5,000 to \$9,999                      ☐ \$20,000 or more  
☐ \$1,000 to \$2,499                      ☐ \$10,000 to \$14,999  
☐ \$2,500 to \$4,999                      ☐ \$15,000 to \$19,999
32. Are there needed repairs that you have not made to your house because you cannot afford to pay for them?  
☐ Yes    ☐ No
- 32a. Please tell us about repairs that you have completed for your house, and repairs you may still need.

	<u>Repairs I have completed</u>	<u>Repairs I still need</u>
Painting	<input type="checkbox"/>	<input type="checkbox"/>
Appliances	<input type="checkbox"/>	<input type="checkbox"/>
Electric	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing	<input type="checkbox"/>	<input type="checkbox"/>
Heating	<input type="checkbox"/>	<input type="checkbox"/>
Roofing	<input type="checkbox"/>	<input type="checkbox"/>
Siding	<input type="checkbox"/>	<input type="checkbox"/>
Windows/doors	<input type="checkbox"/>	<input type="checkbox"/>
Insulation	<input type="checkbox"/>	<input type="checkbox"/>
Foundation	<input type="checkbox"/>	<input type="checkbox"/>
Accessibility (ramps, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Flooring	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>

(Go to Question 36.)

*Renters, Please Answer These Questions*

33. Does your landlord make repairs promptly when needed?  
☐ Yes   ☐ No
34. If your house is in need of repair, please indicate what repairs are needed.
- ☐ Painting
  - ☐ Appliances
  - ☐ Electric
  - ☐ Plumbing
  - ☐ Heating
  - ☐ Roofing
  - ☐ Siding
  - ☐ Windows/doors
  - ☐ Insulation
  - ☐ Foundation
  - ☐ Accessibility (ramps, etc.)
  - ☐ Other \_\_\_\_\_
35. Would you like to own a house or condominium/town home instead of renting your home?  
☐ Yes, I would like to own a house  
☐ Yes, I would like to own a condo/town home  
☐ No, I would prefer to rent
- 35a. If you would prefer to own a house or condominium/town home, what are some of your current barriers to doing so?  
(Please check all that apply.)
- ☐ Do not have enough money for a down payment
  - ☐ Cannot afford monthly mortgage payments
  - ☐ Cannot qualify for a mortgage
  - ☐ Unfamiliar with/intimidated by the process of buying a home
  - ☐ Desired housing type not available (single-family home, mobile home, condo/town home)
  - ☐ Desired housing location not available (Durango, Bayfield, Ignacio, rural La Plata County)
  - ☐ No houses in my price range for sale
  - ☐ Uncertain future or may leave area
  - ☐ Other reason (please specify) \_\_\_\_\_



### ***Housing in Your Community***

36. In your opinion, which of the following housing types is your community most in need of?  
Pick one option.

☐ Single-family houses                      ☐ Accessible housing for disabled persons  
☐ Apartments (1 to 2 bedroom)           ☐ Apartments (3 to 4 bedrooms)  
☐ Homeless shelters                           ☐ Assisted living for seniors  
☐ Other (please specify): \_\_\_\_\_

36a. Please explain.

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### ***The People in Your Household***

37. What is your gender?

☐ Male    ☐ Female

38. Please indicate the number (including yourself) and the ages of everyone in your household.

*Example: 2 people 25 to 34 years old*

\_\_\_\_\_ 0-5 years old                                  \_\_\_\_\_ 25 to 34 years old  
\_\_\_\_\_ 6-18 years old                                \_\_\_\_\_ 35 to 49 years old  
\_\_\_\_\_ 19-24 years old                               \_\_\_\_\_ 50 to 64 years old  
   \_\_\_\_\_ 65 years old or older

39. Please indicate the number of people that work in your household. Do not include children.

\_\_\_\_\_ Work full-time                      \_\_\_\_\_ Work part-time  
\_\_\_\_\_ Do not work

40. How many full-time jobs does each person in your household have? If a person has two part-time jobs, please fill in a 1. Include paid jobs only. *For example, if the head of the household has one full-time and one part-time job, put down 1.5 for that person.*

\_\_\_\_\_ Head of household  
\_\_\_\_\_ Additional member of household  
\_\_\_\_\_ Additional member of household  
\_\_\_\_\_ Additional member of household  
\_\_\_\_\_ Additional member of household

41. Where does the head of your household work?

☐ Bayfield      ☐ Ignacio                      ☐ Elsewhere in La Plata County  
☐ Durango      ☐ Other (specify): \_\_\_\_\_

42. How long does it take the head of the household to get to work from your home?

☐ Less than 15 minutes                      ☐ 30 to 45 minutes  
☐ 15 to 30 minutes                           ☐ More than 45 minutes

43. How many miles is this person's commute?

\_\_\_\_\_ Miles

44. How long have you lived in La Plata County? \_\_\_\_\_ years \_\_\_\_\_ months
45. What is the education level of the head of your household?  
☐ Less than high school    ☐ Some college    ☐ Some graduate school  
☐ High school/GED    ☐ College degree    ☐ Graduate degree
46. Which category describes your annual household income (before taxes and deductions)?  
☐ Under \$10,000    ☐ \$25,000 to \$34,999    ☐ \$75,000 to \$99,999  
☐ \$10,000 to \$14,999    ☐ \$35,000 to \$49,999    ☐ \$100,000 to \$149,999  
☐ \$15,000 to 24,999    ☐ \$50,000 to \$74,999    ☐ \$150,000 or more
47. What category (or categories) below best describes the races and ethnicities of the people in your household? (Please check all that apply.)  
☐ White    ☐ Hispanic/Latino    ☐ Other \_\_\_\_\_  
☐ African American    ☐ American Indian  
☐ Asian    ☐ Multi-racial
48. Do you or do any members of your household have a disability?  
☐ Yes    ☐ No
49. Have you ever sought assistance for rent payments or in order to help you purchase a house?  
☐ Yes    ☐ No
- 49a. If you have sought housing assistance, where did you go for help?  
 \_\_\_\_\_
- 49b. Were they able to give you the help you needed?  
☐ Yes    ☐ No
- 49c. Why or why not? \_\_\_\_\_
50. Does anyone in your household (other than a student) live with you because they cannot afford to live on their own?  
☐ Yes    ☐ No

**Thank You For Your Assistance.**

**PLEASE RETURN THIS SURVEY IN THE ENCLOSED POSTAGE PAID ENVELOPE TO:**

**BBC Research & Consulting  
 3773 Cherry Creek N. Drive, Suite 850  
 Denver, CO 80209  
 Attention: Corina Wohlers**

## **APPENDIX C.**

### **Technical Guide**

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## APPENDIX C.

# Technical Guide for Updating the Housing Analysis Indicators

This technical guide provides a detailed description of how to update the Housing Analysis Indicators tool presented as Exhibit VI-1. The Housing Analysis Indicators tool tells the story of the current housing market. City and county updates on an annual basis will allow policymakers to understand how the dynamics of the market are changing and allow them to change and adjust policies and priorities accordingly.

In this technical guide, we first provide a brief overview of the various data sources required to update the Indicators. Then we explicitly describe how to procure data and make calculations required for each indicator within the five general categories described in Exhibit VI-1: Affordability, First Time Homebuyers, Existing Homeowners, Rental Market and Demographics.

### Data Sources

The Housing Analysis Indicators tool is based primarily on 2000 U.S. Census data and a 2002 mail survey conducted with La Plata County residents. City and county staff will need to rely on several data sources to update the information. Throughout this technical guide, we specify the exact data source for each variable. Here, we provide an overview of the main data sources.

**State of Colorado.** The Colorado Department of Local Affairs (DOLA), Demography section provides local regions and counties with updated information on population and housing characteristics. One of the main advantages to this source is that data are provided free of charge. Population and household estimates for years between the decennial censuses can be found on the website at <http://www.dola.state.co.us/Demog/index.htm>.

**Commercial census data products.** At this time, the U.S. Census Bureau does not project data collected as part of the decennial census to future years. From a practical perspective this means that decennial census data is most valuable in the years immediately following the census and that its ability to accurately describe the current situation declines over time. To fill this void, a number of companies offer data projections and software products that give users access to estimates for future years. City and county staff will need to rely on a commercial data provider to update some of the information contained in the Indicators. Suggestions for companies that offer such projects are listed below. City and county staff should fully examine the variables provided and the years for which projections are made before making a purchase decision.

- Claritas produces the Claritas Demographic Update every year for a number of geographic levels of detail including national, state, county, place (city/town), census tract and block group.

- Applied Geographic Solutions (AGS) produces the Estimates & Projections database every year and also produces five and ten-year projections. The estimates are based on Census Bureau information, Bureau of Labor statistics, IRS statistics and the Census Bureau's Current Population Survey.
- PCensus is a software program that combines data from Claritas and Experion into a user-friendly system for accessing information.

It is worth noting that the U.S. Census Bureau has begun a program, called the American Community Survey (ACS), that will provide demographic information on a more regular basis. When fully implemented, the ACS will collect data in every county from a sample of 3 million households each year. It will provide the same sort of data as the census long form, updated every year. For communities smaller than 65,000, it will take 3 to 5 years to accumulate enough sample to provide estimates and data will be provided for communities similar in size to La Plata County using a 3-year average. Though it will be at least 2006 before data are available from this source, staff may wish to track developments within the ACS as a potential way of updating socioeconomic and housing data.

**La Plata County Mail survey.** A 2002 mail survey with La Plata county residents provided much of the data relied upon in this report. To update the Indicators, additional mail surveys will need to be conducted. The full survey instrument used in 2002 is included in Appendix B and the survey results and methodology are described in Section I. As we discuss each individual housing indicator below, we indicate the exact survey questions that should be included for an update. The city and county may also choose to use all the other questions from the 2002 survey or to use additional questions. It is important that staff become fully aware of the data available through the State of Colorado and commercial census data products before finalizing the survey. This practice will ensure that any missing and important data items can be collected through the survey effort.

## Affordability

The purpose of the affordability indicators is to provide a perspective on overall affordability trends for La Plata County by examining incomes, housing prices, cost-burdened households and satisfaction among residents.

- 1. Median household income.** Data source for update is a commercial census data product. Directly report the median household income for La Plata County.
- 2. Median home price.** Data source for update is MLS data as provided by the Durango Association of Realtors. Directly report the median home price for La Plata County.
- 3. Median assessed home value.** Data source for update is County Assessor's Office. As of 2002, BBC was told that the only way to obtain the data was through a private contractor, Donna Graves with Information Services. Donna charged a research fee of \$40 per hour, with research time of 8 hours. The County Assessor's Office should be contacted to initiate the data collection process.

BBC's original data request was more extensive than what will be required to update the median assessed home value because we also used assessed value in other ways. To update the median assessed value, all that is required is the actual value and the classification code. The classification code variable should be used to ensure that only residential properties are included in the dataset and to ensure that mobile homes are excluded. Import the data into Excel and calculate the median home value using the median function.

**4. Income required to purchase median price home.** Data source for update is MLS data provided by Durango Association of Realtors, as collected and calculated in Step 2. Once the median home price is obtained, the calculation is as follows.

- Use PMT function in Excel. Rate = .07/12. Number of periods = 30\*12. Present Value = 95% of median home price. (Note that if the interest rate or number of periods is changed, it will impact the ability to compare data across years.)
- Multiply result by 120% (to xx.)
- Multiply result by 12 (to xx.)
- Divide result by 30% (to xx.)

As an example, the calculation used for the 2002 baseline is:  $((PMT(.07/12, 30*12, 173850)) * 1.2 * 12) / .3$

**5. Percent of households with income required to purchase median price home.** Data source is a commercial census update product for the number of households in various income categories. The result of Step 4, income required to purchase median priced home, is also required. The calculation is as follows.

- Arrange data in two columns, with the first column including income ranges and the second column being the # of households in each range. Use the maximum number of income ranges available, which is the same as using the smallest possible ranges (e.g., it is preferable to use \$5,000 increments over \$25,000 increments).
- Determine which income category the required income from Step 4 falls into — this is the breakpoint category.
- Within the breakpoint category: (1) divide the # of households by the total number of thousand dollar increments (i.e., there are 25 thousand dollar increments in the range \$50,000-\$74,999). (2) Multiply the result by the number of thousand dollar increments above the required income (i.e., if the required income is \$55,000 and the income category is \$50,000 to \$74,999 then there are 20 thousand dollar increments above the required income).
- Finally, add the result of this calculation to the sum of the # of households in all income categories above the breakpoint category.

As an example, for the 2002 baseline, we used the following set of data and calculations.

<i>La Plata County</i>	
Less than \$10,000	1,525
\$10,000 to \$14,999	1,121
\$15,000 to \$24,999	2,584
\$25,000 to \$34,999	2,311
\$35,000 to \$49,999	2,858
\$50,000 to \$74,999	3,302
\$75,000 or more	<u>3,645</u>
<i>Total</i>	<i>17,346</i>

The required income in this case was \$55,500, which means that \$50,000 to \$74,999 was the breakpoint category.

There were 3,302 households in the breakpoint category, divided by 25 (the number of thousand dollar increments in the category) to produce 132. The number of thousand dollar increments above the required income was 20. Twenty multiplied by 132 produced an estimate of 2,640 households from this particular income category that could afford the median priced home.

There are 3,645 households in the income category above the breakpoint category (\$75,000 or more). The sum of 3,645 and 2,640 is 6,285. This figure divided by the total number of households (6,285/17,346) gave us 36 percent.

**6. Percent of cost-burdened owner households.** Data source for BBC report was 2000 Census. Most commercial data products do not provide projected estimates of cost-burdened households. Thus, future data will need to be collected through the mail survey. We suggest using results from a slightly modified version of the following survey question.

- Think about how much your household earns per month (before taxes, health insurance deductions, etc.). What percentage of your household's earnings do you pay in rent/mortgage? (Question 7 from the 2002 survey instrument).
  - ☐ Less than 30 percent
  - ☐ More than 30 percent but less than 50 percent
  - ☐ 50 percent or more
  - ☐ House paid for, no mortgage

Caution should be used in interpreting differences between the baseline and the first few years of updated data, because a small part of the difference may be attributable to the use of different collection methodologies.

**7. Percent of cost-burdened renter households.** As with Step 6, data source for BBC report was 2000 Census. Most commercial data products do not provide projected estimates of cost-burdened households. Thus, future data will need to be collected through the mail survey. We suggest using results from a slightly modified version of the following survey question.

- Think about how much your household earns per month (before taxes, health insurance deductions, etc.). What percentage of your household's earnings do you pay in rent/mortgage? (Question 7 from the 2002 survey instrument.)

- ☐ Less than 30 percent
- ☐ More than 30 percent but less than 50 percent
- ☐ 50 percent or more
- ☐ House paid for, no mortgage

Caution should be used in interpreting differences between the baseline and the first few years of updated data, because a small part of the difference may be attributable to the use of different collection methodologies.

**8. Percent of owners dissatisfied with cost of mortgage.** Data source for update is La Plata County Mail Survey. Two survey questions are used.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Is your rent/mortgage too expensive? (A modified version of Question 10 from the 2002 survey instrument.)

**9. Percent of renters dissatisfied with cost of rent.** As with Step 8, data source for update is La Plata County Mail Survey. Two survey questions are used.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Is your rent/mortgage too expensive? (A modified version of Question 10 from the 2002 survey instrument.)

## First Time Homebuyers

In the Housing Needs Assessment, first-time homebuyers were a population of particular interest. Indicators examine both the size of this population and their housing preferences.

**1. Percent of renters who prefer to own.** Data source for update is La Plata County Mail Survey. The first part of survey question 25 from the 2002 survey instrument is used.

- Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category?

### Own versus rent

- ☐ Own
- ☐ Rent

Calculate the percent of renters who prefer to own. In statistical software packages, this can be done by using cross-tabs or by selecting renters as the unit of analysis and then creating a frequency table.

**2. Percent of renters who are potential owners.** Data sources for the update is a commercial census data product and the La Plata County Mail Survey. There are two parts to the calculation for determining the percent of renters who are potential owners.



*Determine income limit.* Based on information from the National Low Income Housing Coalition, home ownership may not be the best option for those earning less than 30 percent of median income. So, the first part of updating this particular item is to establish the income level representing 30 percent of median income, or the *income limit* for homeownership. The calculation is simply 0.3 multiplied by the median income (see Affordability Step #1 for determining median income). In creating the baseline, the study team used \$15,000, which represented an existing income classification from the survey and Census datasets, as an approximate *income limit* for determining who was a potential homeowner. Those performing the update can choose to follow this simplified approach and round 30 percent of median income to match a pre-existing income classification. If an extremely high level of precision is desired, the approach for estimating the number of households in each income category described in Affordability Step #5 may also be used.

*Estimate percent of renters above income limit.* The next task is to determine the percent of renters falling into different income categories. BBC used 2000 Census data for this purpose. However, census update products do not typically provide estimates of the number or percent of renters in different income categories. Thus, updates will be accomplished through the mail survey. Two survey questions should be analyzed to allocate renter households by income levels.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more

Sum the percent of renter respondents falling into all categories that include incomes above the *income limit*.

Caution should be used in interpreting differences between the baseline and the first few years of updated data, because a small part of the difference may be attributable to the use of different collection methodologies.

**3. Number of potential owner households.** Data source is La Plata County Mail Survey. Again, there are two parts.

*Estimate total number of renter households.* The mail survey will ask respondents whether they rent or own. The percentage who rent should be multiplied by the total number of households in the county to estimate the total number of renter households. A reality check on this estimate can be performed by comparing the result to the number of occupied rental units as calculated in Rental Market Step # 1, described below.

*Estimate number of renter households in income categories.* Allocate rental households by income by multiplying the percentages from First Time Homebuyers Step #2, immediately above, by the estimated total number of renter households. Sum the number of households above the *income limit*, which is also calculated in First Time Homebuyers Step #2.

**4. Percent of potential owners who can afford median sales price home.** The income required to purchase a home at the median sales price is calculated above in Affordability Step #4. The goal here is to calculate the percent of potential owners who earn at least that income based on data from the La Plata County Mail Survey. The calculation is as follows.

- Arrange the data from First Time Homebuyers Step #3, immediately above, in two columns, with the first column including income ranges and the second column being the # of rental households in each range. Drop any income categories that fall below the *income limit* for renters to be considered potential owners, so that only potential owners remain.
- Determine which income category the required income from Affordability Step #4 falls into — this is the breakpoint category.
- Within the breakpoint category: (1) divide the # of households by the total number of thousand dollar increments (i.e., there are 25 thousand dollar increments in the range \$50,000-\$74,999). (2) Multiply the result by the number of thousand dollar increments above the required income (i.e., if the required income is \$55,000 and the income category is \$50,000 to \$74,999 then there are 20 thousand dollar increments above the required income).
- Finally, add the result of this calculation to the sum of the # of households in all income categories above the breakpoint category to calculate the total number of potential owners who can afford the median home.
- Divide the total number of potential owners who can afford the median home by the total number of potential owners as calculated in First Time Homebuyers Step #3, immediately above.

An example follows.

<i>Income</i>	<i># of Renters in Category</i>
Under \$10,000	879
\$10,000 to \$14,999	638
\$15,000 to \$19,999	604
\$20,000 to \$24,999	582
\$25,000 to \$34,999	963
\$35,000 to \$49,999	757
\$50,000 to \$74,999	603
\$75,000 to \$99,999	284
\$100,000 to \$149,999	114
\$150,000 or more	<u>61</u>
<i>Total</i>	<i>5,485</i>

First we would drop the two lowest income categories, because those renters are not potential owners.

If the required income is \$55,500, then \$50,000 to \$74,999 is the breakpoint category.

There were 603 households in the breakpoint category, divided by 25 (the number of thousand dollar increments in the category) to produce 24. The number of thousand dollar increments above the required income was 20. Twenty multiplied by 24 produced an estimate of 480 households from this particular income category that could afford the median priced home.

There are 459 households in the income categories above the breakpoint category. The sum of 459 and 480 is 939. This figure divided by the total number of households that are potential owners (3,968) produces 23 percent.

**5. Percent of potential owners who believe fair price for ideal home is less than \$150,000.** Data source is La Plata County Mail Survey. The relevant survey questions are as follows.

- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more
- Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category? (Part of question 25 from 2002 survey instrument.)

What do you think is a reasonable and fair price to pay to purchase or rent that home?

Monthly rent: \$\_\_\_\_\_

Purchase price: \$\_\_\_\_\_

To make this task manageable, the analyst first will need to categorize responses to the price question. For example, BBC created categories to combine responses using under \$100,000; \$101-\$150,000; \$151-\$200,000; \$201-\$250,000; \$251-\$300,000, and \$301,000+.

After categorizing responses, calculate the percent of potential owners (e.g., current renters with incomes above the *income limit*) preferring a home with a purchase price of \$150,000 or less. In statistical software packages, this can be done by using cross-tabs or by selecting potential owners as the unit of analysis and then creating a frequency table.

**6. Percent of potential owners preferring single family home.** Data source is La Plata County Mail Survey. The relevant survey questions are as follows.

- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more

- Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category? (Part of question 25 from 2002 survey instrument.)

Type of home

- ☐ Single-family home
- ☐ Condominium/town home
- ☐ Mobile home
- ☐ Manufactured home
- ☐ Duplex/triplex
- ☐ Apartment

Calculate the percent of potential owners (e.g., current renters with incomes above the *income limit*) preferring a single-family home. In statistical software packages, this can be done by using cross-tabs or by selecting potential owners as the unit of analysis and then creating a frequency table.

**7. Percent of potential owners preferring home in Durango.** Data source is La Plata County Mail Survey. The relevant survey questions are as follows.

- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more
- Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category? (Part of question 25 from 2002 survey instrument.)

Location of home

- ☐ Durango
- ☐ Bayfield
- ☐ Ignacio
- ☐ Rural La Plata County

Calculate the percent of potential owners (e.g., current renters with incomes above the *income limit*) preferring a home in Durango. In statistical software packages, this can be done by using cross-tabs or by selecting potential owners as the unit of analysis and then creating a frequency table.

**8. Percent of potential owners preferring home in Rural La Plata County.** Data source is La Plata County Mail Survey. The relevant survey questions are as follows.

- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more

- Listed below are different housing options. Thinking realistically, if you could live in your *ideal* home, which option would you pick for each category? (Part of question 25 from 2002 survey instrument.)

Location of home

- ☐ Durango
- ☐ Bayfield
- ☐ Ignacio
- ☐ Rural La Plata County

Calculate the percent of potential owners (e.g., current renters with incomes above the *income limit*) preferring a home in Rural La Plata County. In statistical software packages, this can be done by using cross-tabs or by selecting potential owners as the unit of analysis and then creating a frequency table.

### Existing Homeowners

Overall, the Housing Needs Assessment indicates that existing homeowners are satisfied with their housing. While we see little need for policymakers to focus on current homeowners in the short-run, the Existing Homeowner indicators will help monitor the situation for this population. If levels of satisfaction decrease, policymakers may want to reconsider their focus.

**1. Number of owned housing units (occupied).** Data source for update is a commercial census data product. Directly report the number of owned, occupied housing units for La Plata County.

**2. Percent owned units classified as single family.** Data source for update is the La Plata County Mail Survey. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Check the description that best describes the place in which you currently live: (Question 3 from 2002 survey instrument.)
 

<input type="checkbox"/> Single-family, detached house	<input type="checkbox"/> Manufac. house on perm. foundation
<input type="checkbox"/> Town house	<input type="checkbox"/> Apartment (1 to 4 units/building)
<input type="checkbox"/> Condominium	<input type="checkbox"/> Apartment (5 to 12 units/building)
<input type="checkbox"/> Rooming house/boarding house	<input type="checkbox"/> Apartment (13+ units/building)
<input type="checkbox"/> Mobile home/trailer	<input type="checkbox"/> Other (Please describe) _____
<input type="checkbox"/> Duplex/triplex	

Calculate the percentage of owners living in single-family, detached homes. In statistical software packages, this can be done by using cross-tabs or by selecting owners as the unit of analysis and then creating a frequency table.

**3. Percent of owned units in Durango.** Data source for update is a commercial census data product. Divide the number of owned units in Durango by the total number of units in the county.

**4. Percent of owned units in Rural La Plata County.** Data source for update is a commercial census data product. Divide the number of owned units in Rural La Plata County by the total number of units in the county. The number of owned units in Rural La Plata County may have to be calculated by subtracting the number of units in Durango, Bayfield and Ignacio from the total number of units in La Plata County.

**5. Percent with no mortgage.** Data source for update is the La Plata County Mail Survey. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- What is your monthly rent or mortgage payment? (Question 8 from 2002 survey instrument.)
  - ☐ Less than \$300    ☐ \$900 to \$1,199    ☐ No cash rent
  - ☐ \$300 to \$499    ☐ \$1,200 to \$1,499    ☐ House paid for, no mortgage
  - ☐ \$500 to \$699    ☐ \$1,500 to \$1,999
  - ☐ \$700 to \$899    ☐ \$2,000 or more

Calculate the percentage of owners with no mortgage. In statistical software packages, this can be done by using cross-tabs or by selecting owners as the unit of analysis and then creating a frequency table.

**6. Percent very satisfied or satisfied with current home.** Data source for update is the La Plata County Mail Survey. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Thinking about your current home, in general are you: (Question 10 from 2002 survey instrument.)
  - ☐ Very satisfied                      ☐ Dissatisfied
  - ☐ Satisfied                              ☐ Very dissatisfied

Calculate the percentage of owners who are very satisfied or satisfied with their current home. In statistical software packages, this can be done by using cross-tabs or by selecting owners as the unit of analysis and then creating a frequency table.

**7. Percent wanting to move.** Data source for update is the La Plata County Mail Survey. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Do you want to move from your current home? (Question 26 from 2002 survey instrument.)

Calculate the percentage of owners who want to move. In statistical software packages, this can be done by using cross-tabs or by selecting owners as the unit of analysis and then creating a frequency table.

## Rental Market

While most renters would prefer to be homeowners, and many actually have enough income to qualify as potential homeowners, there will always be people who are in the renter market either by choice or circumstance. The Rental Market indicators help policymakers track the situation for renters over time by looking at location and condition.

- 1. Number of rental units (occupied).** Data source for update is a commercial census data product. Directly report number of rented, occupied housing units for La Plata County.
- 2. Percent of rental units in Durango.** Data source for update is a commercial census data product. Divide the number of rental units in Durango by the total number of units in the county.
- 3. Percent of rental units in Rural La Plata County.** Data source for update is a commercial census data product. Divide the number of rental units in Rural La Plata County, by the total number of units in the county. The number of rental units in Rural La Plata County may have to be calculated by subtracting the number of units in Durango, Bayfield and Ignacio from the total number of units in La Plata County.
- 4. Percent of all renters reporting unit in poor condition.** Data source for update is the La Plata County Mail Survey. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Is your housing unit in poor condition? (A modified version of Question 10 from the 2002 survey instrument.)

Calculate the percentage of renters reporting unit in poor condition. In statistical software packages, this can be done by using cross-tabs or by selecting owners as the unit of analysis and then creating a frequency table.

- 5. Percent of renters earning less than \$15,000 reporting unit in poor condition.** Data source for update is the La Plata County Mail Survey. The study team used \$15,000 because that was the income limit calculated in First Time Homebuyers Step #2. If those performing future updates calculate a new income limit, it should be used in this calculation. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more
- Is your housing unit in poor condition? (A modified version of Question 10 from the 2002 survey instrument.)

To calculate the percentage of low income renters reporting units in poor condition, renters earning below the income limit first must be selected from the dataset. In statistical software packages, this is done using a select function. Then calculate the percentage of respondents in this category (i.e., renters who earn less than \$15,000 or new income limit) indicating that their unit is in poor condition, using a frequency table.

**6. Percent of renters earning less than \$15,000 reporting rent/mortgage too expensive.** Data source for update is the La Plata County Mail Survey. The study team used \$15,000 because that was the income limit calculated in First Time Homebuyers Step #2. If those performing future updates calculate a new income limit, it should be used in this calculation. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more
- Is your rent/mortgage too expensive? (A modified version of Question 10 from the 2002 survey instrument.)

To calculate the percentage of low income renters reporting rent that is too expensive, renters earning below the income limit first must be selected from the dataset. In statistical software packages, this is done using a select function. Then calculate the percentage of low income renters indicating that their rent is too expensive, using a frequency table.

**7. Percent of renters earning less than \$15,000 who want to move.** Data source for update is the La Plata County Mail Survey. The study team used \$15,000 because that was the income limit calculated in First Time Homebuyers Step #2. If those performing future updates calculate a new income limit, it should be used in this calculation. The relevant survey questions are as follows.

- Do you own or rent your current home? (Question 28 from 2002 survey instrument.)
- Which category describes your annual household income (before taxes and deductions)? (Question 46 from 2002 survey instrument.)
  - ☐ Under \$10,000      ☐ \$25,000 to \$34,999      ☐ \$75,000 to \$99,999
  - ☐ \$10,000 to \$14,999      ☐ \$35,000 to \$49,999      ☐ \$100,000 to \$149,999
  - ☐ \$15,000 to \$24,999      ☐ \$50,000 to \$74,999      ☐ \$150,000 or more
- Do you want to move from your current home? (Question 26 from 2002 survey instrument.)

To calculate the percentage of low income renters wanting to move, renters earning below the income limit first must be selected from the dataset. In statistical software packages, this is done using a select function. Then calculate the percentage of low income renters indicating that they want to move, using a frequency table.



## Demographics

The final section of the Indicators summarizes demographic data that speaks to the overall need for housing and affordable housing.

- 1. Number of households.** Data source for update is Department of Local Affairs (DOLA), Demography section or commercial census data product. First, check the DOLA website at <http://www.dola.state.co.us/Demog/index.htm>. At this time, the DOLA website does not provide household projections, but it appears that the site may do so in the future. If data are not available from DOLA, use a commercial census data product. Directly report the total number of households in La Plata County.
- 2. Percent of county population in Durango.** Data source for update is commercial census data product. Divide population living in Durango by total population in La Plata County.
- 3. Percent of county population in Rural La Plata County.** Data source for update is commercial census data product. Divide population living in Rural La Plata County by total population in La Plata County. The population in Rural La Plata County may have to be calculated by subtracting the population in Durango, Bayfield and Ignacio from the total La Plata County population.
- 4. Percent of county population in Bayfield.** Data source for update is commercial census data product. Divide population living in Bayfield by total population in La Plata County.
- 5. Percent of county population in Ignacio.** Data source for update is commercial census data product. Divide population living in Ignacio by total population in La Plata County.
- 6. Number of housing units (occupied & vacant).** Data source for update is Department of Local Affairs, Demography section at <http://www.dola.state.co.us/Demog/index.htm>. Directly report the sum of occupied and vacant housing units for the county.
- 7. Population ages 25-44.** Data source for update is Department of Local Affairs, Demography section at <http://www.dola.state.co.us/Demog/index.htm>. Directly report the projected total number of adults between the ages of 25 and 44.
- 8. Number of households below median income.** Data source for update is commercial data product. If it is not possible to directly report the number of households below median income, use a table showing number of households by income category to calculate the number of households below median income. Use the technique described in Affordability Step #5 and First Time Homebuyers Step #4 to allocate households that fall into the income category containing the median income.
- 9. Number of senior households.** Data source for update is the La Plata County Mail Survey. The study team used Question 38 from the 2002 survey instrument to estimate the number of senior households. To simplify the data analysis process, we suggest adding a similar but more direct question to future survey efforts. The question would read:

- Please indicate which category best describes your household composition.
  - ☐ Adults under the age of 65 and children under the age of 18
  - ☐ Adults under the age of 65 only
  - ☐ One or more adults over the age of 65 and no children

After determining the percentage of respondents in the senior household category, that percentage should be multiplied by the total number of households in La Plata County to determine the current number of senior households.

**10. Number of households with children.** Data source for update is the La Plata County Mail Survey. The study team used Question 38 from the 2002 survey instrument to estimate the number of households with children. To simplify the data analysis process, we suggest adding a similar but more direct question to future survey efforts. The question would read:

- Please indicate which category best describes your household composition.
  - ☐ Adults under the age of 65 and children under the age of 18
  - ☐ Adults under the age of 65 only
  - ☐ One or more adults over the age of 65 and no children

After determining the percentage of respondents in the households with children category, that percentage should be multiplied by the total number of households in La Plata County to determine the current number of households with children present.

**11. Number of households with adults only.** Data source for update is the La Plata County Mail Survey. The study team used Question 38 from the 2002 survey instrument to estimate the number of adult only households. To simplify the data analysis process, we suggest adding a similar but more direct question to future survey efforts. The question would read:

- Please indicate which category best describes your household composition.
  - ☐ Adults under the age of 65 and children under the age of 18
  - ☐ Adults under the age of 65 only
  - ☐ One or more adults over the age of 65 and no children

After determining the percentage of respondents in the adults only household category, that percentage should be multiplied by the total number of households in La Plata County to determine the current number of adult only households.

**12. Percent of employment in service sector.** Data source for update is Bureau of Economic Analysis, Regional Accounts Data, Local Personal Area Income statistics for La Plata County. The most current data can be accessed on-line at <http://www.bea.gov/bea/regional/reis/default.cfm>.

**13. Percent of employment in retail sector.** Data source for update is Bureau of Economic Analysis, Regional Accounts Data, Local Personal Area Income statistics for La Plata County. The most current data can be accessed on-line at <http://www.bea.gov/bea/regional/reis/default.cfm>.